indicates that Sethi is currently 29 years old. According to the Illinois Department of Financial and Professional Regulation, between 2002 and 2006, Sethi was licensed in the State of Illinois as a pharmacy technician. As a result, for him to have more than fifteen years of experience in real estate development and management, in addition to his pharmacy technician experience, his must have begun working in the real estate industry at or before age 14.

---

3 The Offering Memorandum also claims that Sethi "has acquired formidable proficiency in global finance, specifically in the management and acquisition of working and institutional capital"; "is intimately acquainted with the business of hotel development"; "has completed several graduate professional development programs"; and "holds Certified Lodging Owner (CLO), Certified Hotel Administrator (CHA), and Certified Hospitality Technology Professional (CHTP) certification. . . ." It also claims that Ravinder Sethi's "other business activities are also in real estate hospitality development for over twenty years and most recently, for the past 10 years, in development of full-fledged universities with dormitories. . . ."

38. The Offering Memorandum and Business Plan describe Sethi's purported extensive experience and accomplishments in real estate development and management, specifically in the lodging and hospitality industry. However, the Offering Memorandum and Business Plan omit to disclose that Wyndham Hotels & Resorts, Inc. previously sued Sethi for breach of contract related to an alleged failure to pay outstanding royalties and other fees and to meet Wyndham's standards in violation of their license agreement.[4]

39. In addition, Sethi and his related entities were sued by the U.S. Department of Labor and numerous private plaintiffs for alleged unlawful employment practices in the operation of a previous hotel at the site of the Project. Sethi and his affiliated entities entered into various consent judgments on a no-contest basis for violations of the wage and hour provisions of the Fair Labor Standards Act, including failure to keep records of employee hours and wages at the hotel.[5]

40. In addition, the Offering Memorandum states that the project's developer, Upgrowth, LLC, another entity affiliated with Sethi, has "more than 35 years of experience," and a "reputation as a premier nationwide hotel general contractor providing a full range of services to the hospitality industry in both new construction and renovation for all hotel brands (including Marriott, Starwood, Intercontinental Hotels Group, Choice Hotels, and Accor Hotels)." However, Illinois corporate records show that Upgrowth, LLC was organized in 2010. Therefore, the representation about Upgrowth LLC's experience appears to be false.

---

[4] *Wyndham Hotels & Resorts, Inc. v. A&A Hospitality, LLC,* Civil Action No. 1:11-cv-4402 (N.D. Ill. June 28, 2011).

[5] *Solis v. A&A Hospitality, LLC,* Civil Action No. 1:11-cv-3653 (N.D.Ill. Mar. 28, 2012).

VII. Conclusions

41. Based on the foregoing analysis, it is my conclusion that Reports associated with the Project have made unsubstantiated and questionable assumptions to arrive at the cost, revenue, and job creation facts, figures and assumptions. The Reports provide very little basis to evaluate their assumptions, and it is therefore difficult to fully replicate the results. The Reports also contain projections and conclusions that appear to be vastly overstated when compared against other reliable benchmarks and available market data. Also, some information appears to be misstated or misused, resulting in biased estimations. The consequence is that job creation is likely overstated.

I declare under the penalty of perjury that the foregoing is true and correct.

February 5, 2013

Audra Boone, Ph.D.

Materials Relied Upon

1. Documents provided to the staff of the U.S. Securities and Exchange Commission by U.S. Citizenship and Immigration Services from its files pertaining to ACCC and immigrant investor visa applicants, including those bearing the following bates numbers SEC-USCIS-P-0000001 through SEC-USCIS-P-00001567.
2. HVS Consulting and Valuation report entitied "HVS Hotel Development Cost Survey 2011/12" dated January 2012 (Exhibit B).
3. T.R. Mandigo & Company report entitled "Analysis of Market Conditions for The O'Hare Hotel Market," dated August 2, 2012 ("Mandigo Report") (Exhibit C).
4. Integra Realty Resources, Inc. report entitled "Investment Analysis: A

Chicago Convention Center, 8161, 8171 and 8211 West Higgins Road, Chicago, Cook County, Illinois 60631" ("Integra Report") (Exhibit D).

5. Court dockets and other publicly-available information through government and commercial databases such as PACER, Bloomberg, Bloomberg Law, LEXIS and WestLaw, or other subscription services.

6. Records of the Cook County Recorder of Deeds related to Property Identification Number 12-02-412-010-0000.[6]

7. Records of the Cook County Assessor's Office related to Property Identification Number 12-02-412-010-0000.[7]

[6] Available at http://12.218.239.81/i2/default.aspx

8. Records of the City of Chicago, Department of Buildings related to the property located at 8201 W. Higgins Road, Chicago, Illinois.[8]

9. Records of the Illinois Department of Financial & Professional Regulation.[9]

10. Reed Construction Data, Inc. report entitled "RSMeans' dollars-per-square-foot construction costs: accommodation table and graphs," dated July 6, 2011.[10]

11. Hotel Business Review report entitled "Assessing Feasibility: Rules of Thumb and Factors That Influence Them."[11]

12. Chicago Real Estate Daily article entitled "3 Downtown Hotels for Sale as Prices Rise," dated April 27, 2011.[12]

13. Chicago Sun-Times article entitled "Sam Zell group turning Elysian Hotel

into a Waldorf Astoria," dated November 17, 2011.[13]

---

[7] Available at http://www.cookcountyassessor.com/Property_Search/Property_Details.aspx?Pin=12024120100000

[8] Available at https://data.cityofchicago.org/Buildings/Building-Permits/ydr8-5enu

[9] Available at https://www.idfpr.com/licenselookup/licenselookup.asp

[10] Available at http://www.reedconstructiondata.com/market-intelligence/articles/rsmeans-dollars-per-square-foot-construction-costs-accommodation-table/

[11] Available at http://hotelexecutive.com/business_review/2370/assessing-feasibility-rules-of-thumb-and-factors-that-influence-them

[12] Available at http://www.chicagorealestatedaily.com/article/20110427/CRED03/110429888/3-downtown-hotels-for-sale-as-prices-rise

[13] Available at http://www.suntimes.com/business/8907607-420/zell-buys-chicagos-elysian-hotel.html

14. Starwood Hotels & Resorts Worldwide, Inc. press release entitled, "Starwood Hotels Completes Sale of W Chicago-City Center to Chesapeake Lodging Trust for $128.8 million," dated May 10, 2011.[14]

15. Chicago Real Estate Daily article entitled "Father, son plan 3-hotel project near O'Hare," dated January 14, 2009.[15]

16. Chicago Real Estate Daily article entitled "Apartments planned for former Arlington Heights hotel," dated July 27, 2011.[16]

17. Federal Aviation Administration ("FAA") report entitled "Terminal Area Forecast Summary, Fiscal Years 2009-2030."[17]

18. National Real Estate Investor article entitled, "Chicago's O'Hare Airport is Ground Zero for Hotel Distress," dated January 26, 2010.[18]

19. Information on the Internet website of Clark Construction Group, LLC

regarding the McCormick Place Convention Center West Expansion.[19]

[14] Available at http://development.starwoodhotels.com/news/7/269starwood_hotels_completes_sale_of_w_chicago-city_center_to_chesapeake_lodging_trust_for_128_8_million

[15] Available at http://www.chicagorealestatedaily.com/article/20090114/CRED03/200032604/father-son-plan-3-hotel-project-near-ohare

[16] Available at http://www.chicagorealestatedaily.com/article/20110727/CRED03/110729874/apartments-planned-for-former-arlington-heights-hotel

[17] Available at http://www.faa.gov/about/office_org/headquarters_offices/apl/aviation_forecasts/taf_reports/media/TAF%20Summary%20Report%20FY%202009%20-%202030.pdf

[18] Available at http://nreionline.com/distressedinventory/ohare_airport_hotel_distress_0126/

[19] Available at http://www.clarkconstruction.com/projects/feature_project/183/

EXHIBIT

A

AUDRA L. BOONE

Department of Finance
Mays Business School
Texas A&M University
College Station, TX 77843
Office Phone: 979-845-9258
Email: aboone@mays.tamu.edu

Education

Ph.D., Pennsylvania State University, 2002
B.S., Business Administration, University of Kansas, 1997

Employment

Texas A&M University, Mays Business School	
Associate Professor of Finance	2011-present
Mays Research Fellow	2011-present
Securities and Exchange Commission	
Visiting Scholar	8/2012-present
University of Kansas, School of Business	
Associate Professor of Finance (with Tenure)	2008-2011
Fred Ball Faculty Fellow	2008-2011
Assistant Professor of Finance	2005-2008
College of William & Mary, Mason School of Business	

College of William & Mary, Mason School of Business

Assistant Professor of Finance 2002-2005

Pennsylvania State University

Research Assistant and Graduate Instructor 1997-2002

Publications

"Bankruptcy Spillover Effects on Strategic Alliance Partners" with Vladimir Ivanov, *Journal of Financial Economics*, 2012, 103 (3), 551-569.

"Do Private Equity Consortiums Facilitate Collusion in Takeover Bidding?" with Harold Mulherin, *Journal of Corporate Finance*, 2011, 17 (5), 1475-1495.

"Is There Shareholder Expropriation in the U.S.? An Analysis of Publicly-Traded Subsidiaries" with Vladimir Atanasov and David Haushalter, *Journal of Financial and Quantitative Analysis*, 2010, 45 (1), 1-26.

"Is There One Best Way to Sell a Company? Auctions Versus Negotiations and Controlled Sales" with Harold Mulherin, *Journal of Applied Corporate Finance*, 2009, 21 (3), 28-38.

"Do Auctions Induce a Winner's Curse? New Evidence from the Corporate Takeover Market" with Harold Mulherin, *Journal of Financial Economics*, 2008, 89 (1), 1-19. Reprinted in Corporate Takeovers: Modern Empirical Developments edited by Espen Eckbo.

"The Determinants of Corporate Board Size and Composition: An Empirical Analysis" with Laura Field, Jonathan Karpoff, and Charu Raheja, *Journal of Financial Economics,* 2007, 85 (1), 65-101. One of the top five most cited articles published in the JFE since 2007: http://www.journals.elsevier.com/journal-of-financial-economics/most-cited-articles/

"How Are Firms Sold?" with Harold Mulherin, *Journal of Finance*, 2007, 62 (2), 847-875.

"Do Termination Provisions Truncate the Takeover Bidding Process?" with Harold Mulherin, *Review of Financial Studies*, 2007, 20 (2), 461-489.

"An Investigation of the Gains from Specialized Equity Claims," with David Haushalter and Wayne Mikkelson, *Financial Management*, 2003, Volume 32 (3), 5-21.

"Comparing Acquisitions and Divestitures," with Harold Mulherin, *Journal of Corporate Finance*, 2000, 6 (2), 117-139. Reprinted in Mergers and Corporate Governance edited by Harold Mulherin and in Corporate Restructuring edited by John McConnell and David Denis. Reprinted in CFA Digest, 2001, Vol 31, No. 1.

Working Papers

"Reputations and the Market for Corporate Control" with Vahap Uysal, 2013

"Conflicts of Interest in Corporate Control Transactions: The Role of the Disinterested Special

Committee" with Harold Mulherin, 2012

"Mixed Payment Deals and Target Shareholder Preferences for Method of Payment" with Erik Lie and Yixin Liu, 2012

"The Interaction of Ownership, Governance, and Product Markets: Evidence from Equity Carve-outs," 2003 (no longer active)

"Can Focus Explain Carve-Out Gains?," 2003 (no longer active)

Invited Seminars and Conference Presentations

2013: American Finance Association Meeting

2012: European Center for Corporate Control Studies (ECCS) Symposium on Corporate Control and Governance (Nice, France), Houston University, American University, George Washington

2011: Texas A&M University, Delaware Journal of Corporate Law Conference

2010: University of Oklahoma Finance Conference, European Center for Corporate Control Studies (ECCS) Symposium on Corporate Control and Governance (Lille, France), Financial Management Association Meeting

2009: American Finance Association Meeting

2008: Notre Dame, DePaul University, Kansas State University, Vanderbilt, CRSP Forum 2008, 19th Annual Conference on Financial Economics and Accounting (FEA)

2007: University of Washington, Pennsylvania State University, University of Missouri

2006: University of Iowa, Association of Financial Economists (ASSA) meeting

2005: Texas Tech University, University of Pittsburgh, University of Kansas, American Finance Association Meeting (Philadelphia)

2004: UNC-Duke Conference on Corporate Finance, Financial Management Association Meeting

2003: Financial Management Association Meeting, Batten Conference (William & Mary)

2002: University of Georgia, Clemson, Babson College, Virginia Tech, Batten Conference (William & Mary)

2001: Western Finance Association Meeting, Financial Management Association Meeting, College of William & Mary, University of Delaware, Louisiana State University, Federal Reserve Board of Governors, University of Kansas

2000: Western Finance Association Meeting, Financial Management Association Meetings, Southern Finance Association Meetings, Pennsylvania State University

1999: Financial Management Association Meeting, Pennsylvania State University

Teaching

Teaching

Managerial Finance II (UG), Texas A&M

Financial Management II (PPA), Texas A&M

Seminar in Empirical Corporate Finance (Ph.D.), University of Kansas

Business Investment (MBA), University of Kansas

Business Financing (MBA), University of Kansas

Corporate Financial Policy (UG), University of Kansas

Corporate Financial Policy (MBA), College of William & Mary

Introduction to Financial Markets and Valuation (MAC), College of William & Mary

Financial Markets and Institutions (UG), Pennsylvania State University

Service

Associate Editor, *Journal of Corporate Finance* (2007 - present)

Associate Editor, *Financial Management* (2009 – 2011)

Ad Hoc Referee for: *Journal of Finance, Journal of Financial Economics, Review of Financial Studies, Journal of Financial & Quantitative Analysis, Journal of Corporate Finance, Financial*

Management, Journal of Banking and Finance, Journal of Financial Intermediation, Journal of Financial Research, Financial Review, Management Science, and *European Journal of Finance*

Program Committee: American Finance Association, 2009; Financial Management Association, 2003-2005, 2010-2012; Financial Management Association Asia Conference, 2010; Southern Finance Association (Corporate Finance Track Chair), 2011; Midwestern Finance Association, 2013, Finance Down Under, 2013.

FMA Survey & Synthesis Series Advisory Board Member, 2012-present

Best Paper Award Committee: Financial Management Association meetings, 2007 and 2010

Session Chair: American Finance Association 2009; Financial Management Association 2005

Discussant: American Finance Association 2004; Batten Young Scholars Conference 2003; Financial Management Association 2000, 2002, 2006; Southern Finance Association 2000; and Western Finance Association 2006, 2009

Faculty Advisor: KU American Business Women's Association 2008 -2011

Ph.D. Committee Member at KU: Shane Moser, 2010; Hilla Rantala, 2008; Eli Beracha, 2007.

Litigation Consulting

Stein v. Penner (Case No. 08 CV 124), District Court of Geary County, Kansas, Civil Division

Crescente v. Kinder Morgan, Inc. (Case No. 06 C 801), District Court of Shawnee County, Kansas, District 12

Honors

Guy O. and Rosa Lee Mabry Best Research Paper Award, KU School of Business, 2008

Finalist for Chancellor's Distinguished Teaching Award, University of Kansas, 2008 and 2010

Nominated for Bubb Teaching Award, School of Business, University of Kansas, 2007

2001 FMA Doctoral Student Seminar, Toronto, Canada

Kenneth J. Carey Memorial Fellowship, Penn State University, 1998-2001

University Fellow, Penn State University, 1997-1998

Graduated Highest Distinction, University of Kansas, 1997

Phi Beta Kappa, 1997

EXHIBIT

B

HVS

JANUARY 2012 PRICE $600

HVS HOTEL DEVELOPMENT COST SURVEY 2011/12

Elaine Sahlins
Senior Vice President

www.hvs.com

HVS Consulting and Valuation
100 Bush Street, Suite 750, San Francisco, CA 94104 USA

HVS

HVS Hotel Development Cost Survey 2011/12

HVS has tracked hotel construction costs throughout the United States since 1976. The survey considers data for six lodging types: Economy/Budget Hotels, Midscale Hotels w/o F&B (without Food and Beverage), Extended-Stay Hotels, Midscale Hotels w/ F&B (with Food and Beverage), Full-Service Hotels, and Luxury Hotels and Independent Resorts. The 2011/12 hotel development survey reports updated per-room development costs through the end of 2011.

Each year HVS Consulting and Valuation researches development costs from our database of actual hotel construction budgets, industry reports, and uniform franchise offering circulars. These sources provide the basis for our range of component cost per room. New project construction cost data collected each year may increase the range and/or impact the mean and median of the construction cost components. The upper and lower ends of the ranges also consider changes in construction cost components derived from published sources, industry indexes, and information from architects, contractors, developers, lenders, and other professionals involved with hotel development projects.

This year's development cost survey reflects actual ranges of development costs in each category. The survey is not meant to be a comparative tool to calculate changes from year to year but represents the costs of building hotels across the United States. As in previous years' data, the data represent a wide array of geographical locations, from tertiary markets in the Southwest to mid-Manhattan. The development costs of the same hotel product, say a select-service Fairfield Inn or Holiday Inn Express, can be more than triple the amount from one locale to the other.

Build or Buy?

In 2011, we saw continued momentum in the buying and selling of hotels but little traction in new hotel construction. New hotel construction increases when two factors occur concurrently: hotel operating fundamentals are strong and reasonably priced financing for new construction is readily available. Hotel fundamentals continue to improve, aided by the lack of significant new supply over the past several years. The occupancy levels of many hotel markets have fully recovered, leading the way for strong ADR growth. Hotel net income in strong markets has or will soon reach the level necessary to support new development of certain lodging products. However, many markets continue to lag the recovery and will not be supportive of new hotel development for several years. While developers in strong markets look to finance their projects, favorably priced debt for new projects has remained scarce. In the current environment, active hotel lenders are more likely to provide acquisition or refinancing loans for operating hotels with a proven net operating income history than construction financing for proposed projects. Debt is selectively available on feasible projects with strong sponsors at loan-to-value ratios in the 50% to 60% of cost range, creating a need to raise significant amounts of equity for new projects. Those seeking financing are reaching out to other sources than traditional lenders such as debt REITs, private debt funds, and EB-5 programs. The EB-5 program allows investors with a minimum investment of $500,000 to $1,000,000 depending on the area, to receive a visa for a two-year residency which can be converted into a green card if the investment generated at least 10 jobs. Sourcing financing for development projects remains challenging in the current environment.

Despite the strong improvement in operating fundamentals, the volume of new hotel construction remains below the peak. Consistent with the trends in recent years the overall spending on private-commercial construction including lodging, office, apartments, and retail projects, continued to decline. As reported by the U.S. Census Bureau, the overall expenditure volume of new hotel construction projects was down 19.0% from November 2010 to November 2011. In a recent *Engineering News Report Construction Industry Confidence Index*, only 19% of those surveyed perceived the current outlook for

HVS

hotel construction to be improving. However, rays of hope are appearing: 25% of respondents expected improvement in the next 3 to 6 months, while 44% anticipated improvement in the next 12 to 18 months.

A third consideration also motivates hotel developers: that building a new hotel will offer a better investment opportunity than buying an existing asset. At this point in the cycle, some hotels are beginning to sell for below replacement cost in denser urban and suburban areas. However, older hotels, particularly those suffering from obsolescence, and those located in weaker secondary and tertiary markets fall in this category are selling below replacement costs. Some investors are seeking opportunistic opportunities to acquire these assets at favorable prices and improve their value with renovations, refurbishment and repositioning strategies rather than pursue new construction.

.Despite these challenging factors for new construction, hotel development is being sought in strong markets. The pipeline of proposed hotel projects increased in 2011. The new hotel projects are predominantly select-service and extended-stay properties located in markets with relatively low barriers to entry.

Hotel room inventory data from Smith Travel Research (STR) show the recent national trends in new hotel supply, as reflected in the following chart.

CHART 1 - NATIONAL HOTEL ROOM SUPPLY GROWTH – DECEMBER 2009 THROUGH NOVEMBER 2011

	Dec-09 Existing Supply	Dec-10 Existing Supply	Nov-11 Existing Supply	Total Change Dec 2009 to Nov 2011	Nov-11 In Construction Pipeline	Nov-11 Total Active Construction
Luxury	120,172	124,432	122,729			
Change in rooms		4,260	(1,703)		1,657	5,910
% Change		3.5 %	(1.4) %	2.1 %	1.4 %	4.8 %

Upper Upscale	538,632	547,641		553,823						
Change in rooms		9,009		6,182			7,212		18,926	
% Change		1.7	%	1.1	%	2.8 %	1.3	%	3.6	%
Upscale	548,013	565,702		570,948						
Change in rooms		17,689		5,246			16,140		78,301	
% Change		3.2	%	0.9	%	4.2 %	2.8	%	13.7	%
Upper Midscale	757,186	770,438		823,252						
Change in rooms		13,252		52,814			16,325		86,539	
% Change		1.8	%	6.9	%	8.7 %	2.0	%	10.5	%
Midscale	577,227	564,674		511,811						
Change in rooms		(12,553)		(52,863)			2,954		26,346	
% Change		(2.2)	%	(9.4)	%	(11.3) %	0.6	%	5.1	%
Economy	785,464	784,264		788,230						
Change in rooms		(1,200)		3,966			878		3,606	
% Change		(0.2)	%	0.5	%	0.4 %	0.1	%	0.5	%
Independents	1,482,111	1,495,001		1,520,502						
Change in rooms		12,890		25,501			9,133		89,568	
% Change		0.9	%	1.7	%	2.6 %	0.6	%	5.9	%
Totals	4,808,805	4,852,152		4,891,295						
Change in rooms		43,347		39,143			54,299		310,196	
% Change		0.9	%	0.8	%	1.7 %	1.1	%	6.3	%

Source: Smith Travel Research

In the past two years, new hotel supply equated to less than one percent of all hotel rooms tracked by STR. This can be compared to a prior cycle peak of 3.5% supply growth in 2008. Some of the supply inventory changes between December 2009 and November 2011 were conversions from one category to another and changes within levels of related brands such as property upgrades from Best Western to Best Western Plus. With the lack of available financing for new hotel construction for the past three years, the pipeline of new hotels under construction remained constrained at roundly 1.1% of the existing supply. Other planned supply appeared to be more robust in all categories; however, with construction loans still scarce the probability of all of these new rooms opening as planned remains speculative. The timetable for a number of these projects will likely be extended.

Development Cost Changes

Land transactions intended for hotel construction continued to be few and far between. As with existing hotel assets for sale, the owners that were able to do so withdrew their sites from the market if they did not achieve their desired pricing. With little available financing for new hotel construction, land transactions stagnated. Discussions with market participants indicate that land values in 2011 were unchanged from 2010 for well-located sites and declined modestly more difficult development projects. As of the second half of 2011, desirable building sites for apartment and commercial development in major urban areas are just starting to transact. Until more financing is available for hotel construction, hotel site values are not expected to appreciate significantly.

For materials and labor construction costs, industry surveys and development budgets indicate generally inflationary growth when compared to 2010. The cost of some materials fluctuated with international demand, particularly from China. Most private construction was still stagnant in the US, but overseas and public projects continued to increase putting pressure domestically on prices for some material. Contrary to 2010, lumber prices stabilized. The lumber industry in 2011 was reportedly running at 70% capacity

even after numerous mills closed. Gypsum product prices decreased by 2.7%, while structural steel and sheet metal costs increased by over 5.0%.

As in 2010, renovations continued to drive a large portion of the hotel construction trade. In 2011, these projects and new ground-up development were affected by the increase in wages and benefits, and worker's compensation insurance costs. Construction industry surveys report labor and related cost increased from 2.0% to 3.8% in 2011. In the past few years, FF&E costs decreased as purchasing agents negotiated substantial discounts with vendors. The lower demand for FF&E items in recent years resulted in reduced inventories and staff reductions by manufacturers and suppliers. Demand is now improving, affecting pricing for some items, particularly fabrics. Transportation costs, which factor in FF&E pricing, also increased with higher fuel prices. In 2011, FF&E costs were moderately higher than in 2010. Hotel renovation projects are expected to ramp up in 2012 and 2013 and the cost of materials and wait times are also projected to increase as many brands impose upgrades to be compliant with standards, requirements that were waived or postponed in prior years

While the number of new hotel rooms opening has moderated, property design trends have continued to change. Hotel prototypes are more efficiently designed. New space programs include common multipurpose areas that incorporate time- and energy-saving food and beverage technology. These multipurpose layouts also allow staff to be cross-trained for leaner payrolls. Green building construction continues to be a mantra for new hotel development, although building sustainable hotels is costlier than traditional construction.

HVS

Per-Room Hotel Development Costs

The nadir of hotel development costs in the most recent cycle was 2010. Costs in most categories increased at or slightly below inflation, with the exception of land, which continued to be impacted by the lack of general development activity.

CHART 2 - 2011 HOTEL DEVELOPMENT COST SURVEY PER-ROOM AVERAGES (BASED ON 2010/11 AMOUNTS)

2011	Land	Building and Site Improvements	Soft Costs	FF&E	Pre-Opening and Working Capital	Total
Budget/Economy Hotels						
Average	$11,100	$52,300 #	$4,400 #	$8,300 #	$3,000 #	$67,200
Median	$10,600	$47,600 #	$2,200 #	$8,300 #	$2,900 #	$54,300
Allocation	14%	66%	10%	11%	3%	
Midscale Hotels w/o F&B						
Average	$22,200	$73,500 #	$11,100 #	$9,800 #	$4,100 #	$100,900
Median	$11,600	$65,000 #	$8,100 #	$9,500 #	$2,800 #	$84,600
Allocation	14%	67%	10%	10%	5%	
Extended-Stay Hotels						
Average	$12,200	$81,400 #	$11,300 #	$13,000 #	$3,300 #	$135,500
Median	$10,900	$71,400 #	$9,900 #	$13,400 #	$2,400 #	$108,700

Allocation	12%	67%	9%	12%	4%	
Midscale Hotels w/ F&B						
Average	$13,900	$79,100 #	$13,200 #	$12,400 #	$3,800 #	$120,800
Median	$10,200	$65,200 #	$10,400 #	$11,600 #	$3,000 #	$103,600
Allocation	13%	65%	11%	12%	3%	
Full-Service Hotels						
Average	$15,500	$125,400 #	$22,200 #	$22,700 #	$6,900 #	$212,300
Median	$12,100	$113,800 #	$14,000 #	$18,600 #	$5,700 #	$159,300
Allocation	12%	64%	12%	12%	4%	
Luxury Hotels and Resorts						
Average	$79,800	$356,100 #	$133,800 #	$55,100 #	$20,800 #	$610,500
Median	$81,500	$308,800 #	$88,600 #	$58,900 #	$18,700 #	$549,000
Allocation	17%	59%	14%	10%	4%	

Source: HVS

HVS

Soft Costs			FF&E			Pre-Opening and Working Capital			Total		
$600	-	$13,000	$4,600	-	$17,100	$1,400	-	$7,100	$40,900	-	$146,700
2,100	-	$61,200	$5,700	-	$26,400	$900	-	$25,700	$62,000	-	$397,200
2,300	-	$84,200	$3,600	-	$24,500	$700	-	$25,300	$72,600	-	$275,700
3,400	-	$63,100	$6,900	-	$37,400	$300	-	$18,900	$76,200	-	$308,800
2,300	-	$118,300	$8,600	-	$54,600	$1,900	-	$85,500	$98,100	-	$597,400
24,800	-	$229,400	$34,400	-	$121,900	$10,400	-	$80,600	$419,600	-	$1,496,400

HVS

CHART 3 - HOTEL DEVELOPMENT COST SURVEY PER-ROOM RANGE OF COSTS FOR 2010

2011	Land			Building and Site Improvements		
Budget/Economy Hotels	$3,700	-	$25,800	$31,900	-	$100,200
Midscale Hotels w/o F&B	$3,600	-	$73,100	$47,800	-	$179,100
Extended Stay Hotels	$2,200	-	$39,400	$54,300	-	$168,600
Midscale Hotels w/ F&B	$3,300	-	$54,500	$48,100	-	$154,800
Full-Service Hotels	$3,400	-	$95,100	$63,200	-	$364,400
Luxury Hotels and Resorts	$11,800	-	$211,700	$187,500	-	$1,270,400

Source

It is important in this analysis to note that there is no uniform system of allocation for hotel development budgets. Hotel development costs are accounted for in numerous line items and categories. Individual accounting for specific projects can be affected by tax implications, underwriting requirements, and investment structures. For example, in a development project, furniture, fixtures, and equipment installation and construction finish work can overlap. Accounting for these items is not always the same from one project to another.

In addition, we recommend that users of the HVS Consulting and Valuation Development Cost Survey consider the per-room amount in the individual cost categories only as a general guide for that category. The totals for low and high ranges in each cost category do not add up to the high and low range of the sum of the categories. None of the data used in the survey showed a project that was either all at the low range of costs or all at the high range of costs. A property that has a high land cost may have lower construction costs and higher soft costs. The total costs shown in the preceding table are from per-room budgets for hotel developments and are not a sum of the individual components.

All individual property information used by HVS Consulting and Valuation for the development cost survey is provided on a confidential basis and is believed to be reliable. Data from individual sources are not disclosed.

HVS

About HVS

HVS is the world's leading consulting and services organization focused on the hotel, restaurant, shared ownership, gaming, and leisure industries. Established in 1980, the company performs more than 2,000 assignments per year for virtually every major industry participant. HVS principals are regarded as the leading professionals in

About the Author

Elaine Sahlins holds an undergraduate degree from Barnard College, Columbia University in New York City and an MPS degree in Hotel Administration from Cornell University. After graduating from Cornell she worked for VMS Realty in Chicago analyzing hotel

their respective regions of the globe. Through a worldwide network of 30 offices staffed by 400 seasoned industry professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. For further information regarding our expertise and specifics about our services, please visit **www.hvs.com**.

investments, and then went on to become a review appraiser in San Francisco at Security Pacific, which was subsequently acquired by Bank of America. She joined HVS in 1997 in the San Francisco office. Elaine assumed responsibility for the Hotel Development Cost Survey in 1998.

Ms. Sahlins can be contacted at:

HVS — San Francisco
100 Bush Street
Suite 750
San Francisco, CA 94104
+1 (415) 268-0347 direct
+1 (415) 869-0516 fax
esahlins@hvs.com

EXHIBIT

C

TR Mandigo & Company
Over 35 Years of Hospitality Experience
http://www.trmandigo.com

338 N. Highland Avenue
Elmhurst, IL 60126
(630) 279 - 8144
TedMandigo@trmandigo.com

Analysis of Market Conditions

Analysis of Market Conditions for
The O'Hare Hotel Market
August 2, 2012

Prepared by:

TR Mandigo & Company
338 N. Highland Avenue
Elmhurst, Illinois 60125
TEL: (630) 279-8144
FAX: (630) 279-4701

The O'Hare market area is heavily impacted by air passenger traffic, such that the lines between traffic and occupancy are basically parallel. Unlike many other areas, O'Hare had a relatively quick recovery from the worst of the recession, and managed to move ADR up by 5% in 2011.

O'Hare International Airport statistics hit their peak in 76,581,145 passengers in 2006, then declined with caps imposed by the FAA to minimize passenger delays and reduce ground traffic congestion during peak "pushes". With the runway expansion and opening of a new runway and taxiway in 2009 these caps were lifted, and despite the current recession, air passenger traffic is rebounding. With the continued construction and release of capacity we expect the statistics to reflect a continuing growth, reaching and exceeding the historic highs. The charts on air passenger traffic are presented later in this report.

Colliers reports on office statistics for the metro area with the O'Hare sub market data indicating the current office supply, vacancy rate, asking lease rates and absorption. The current inventory of office space as of the 1st quarter of 2012 is 14,291,911 square feet with a vacancy rate of 22.6%, down 0.4% from 2011. It remains just above the strong performance of the north suburban and west suburban markets around Deerfield and the Oak Brook/Naperville clusters, though its condition is improving while they are losing tenants. The asking rate of $30.64 per square foot for class A space is the highest of all the suburban markets, and the newly opened 137,000 square foot Wintrust Financial Corporation lease demonstrates the strength of this market. The absorption rate reflects a recent negative trend with a drop of 40,000 square feet of class B space on a year to date basis.

The convention activity at Rosemont is centered on the Donald E. Stephens Convention Center and the Hyatt Regency O'Hare as the major facilities in the suburban market. These two properties compete strongly for mid-sized groups with both the Chicago Central Business District properties and mid-sized metropolitan areas throughout the mid-west. The 840,000 square feet at the Stephens Center historically catered to the commercial segment, but with increased competition and price negotiations from McCormick Place the market has shifted to public shows and local business activity. We have estimated about 1/3rd of the total market accommodated in the O'Hare area is convention and corporate group based. Airport area hotels also pick up some overflow from the 90 fill days in the Chicago CBD and activity in the local area.

The new Rivers Casino opened strongly and has remained the highest by far than any of the other Illinois operations. Its year end attendance was 1,946 Million with a mid- July opening date, generating $50.5 Million in taxes. Thus far, it has remained quite strong in the first part of 2012, over doubling the attendance and revenue of the other casinos in the state. It appears to be harming the business of these other facilities somewhat, though attendance is up 23% over last year. Packaging and interaction with that area amenity will continue to provide only a little additional support for area hotel development, as its business is likely almost entirely day trippers. If a hotel is built on the casino site, it may capture some of that business, but it is best to think of it as an additional area amenity, rather than a source of demand for hotel nights.

EXISTING SUPPLY

The current market at O'Hare consists of around 53 properties, depending on the definition. The area it covers includes portions of Des Plaines, Chicago as it parallels the Kennedy Expressway (I-90), the entirety of Rosemont, and portions of nearby suburbs including Schiller Park and Norridge.

Despite the large number of hotels, many of these are small or independent hotels, and of the larger properties, a significant number are over 40 years old. These properties generally drive down the overall average daily rate significantly, and also negatively affect the occupancy percentage.

Of the hotels that remain, a number of midrange and upscale properties serve the immediate area. Most of these properties lie along three major thoroughfares: Mannheim Road, Des Plaines River Road, and Higgins Avenue, or a side street of one of the three. These hotels represent the construction boom of around the year 2000, and before that, the mid-to late 1980's. A few properties in the area were built around or before 1970. These midrange hotels tend to be under 250 rooms, generally provide shuttle service to the airport, and include a moderate amount of meeting space. They may target either business travelers or families, or small groups.

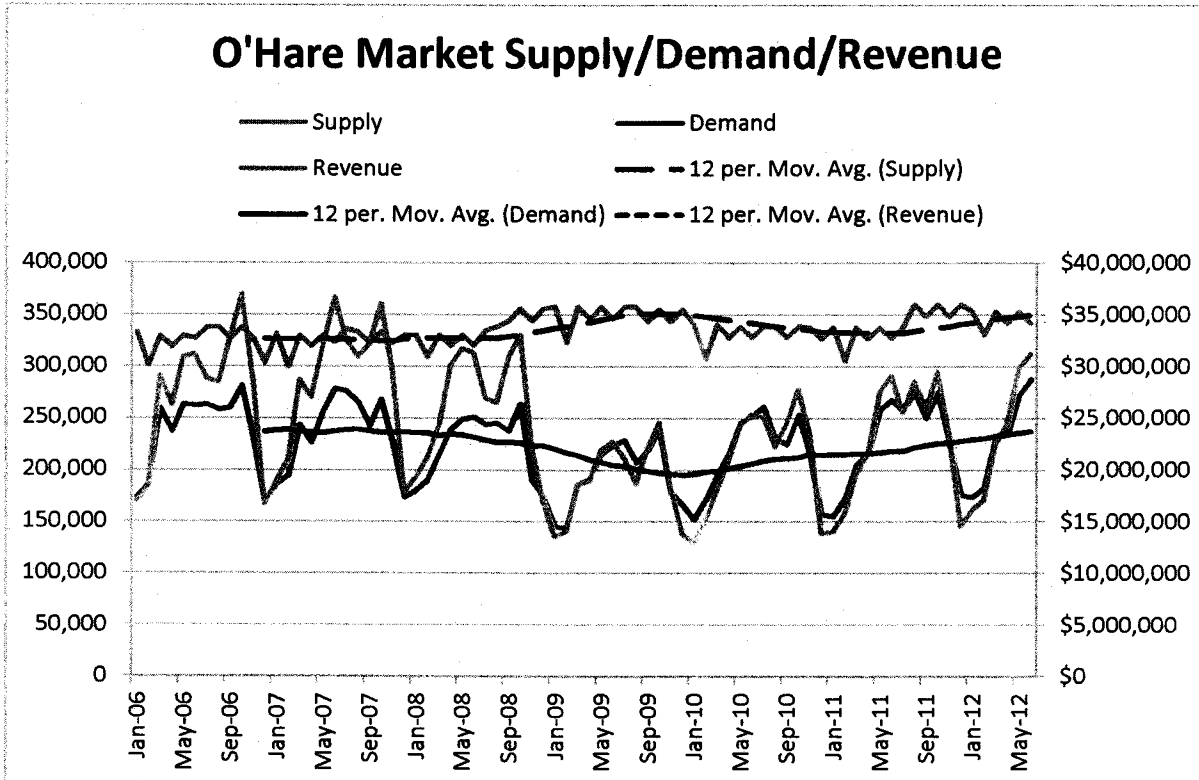
When most people think of Rosemont, they probably think of large hotels, and for good reason. After downtown Chicago, Rosemont has by far the largest number of large hotels in the region. While a few large hotels were built in the region prior to 1970, including the 470 room **Marriott Hotel**,the construction of the 1,096 room **Hyatt Regency** in 1971 cemented River Road in particular as the heart of area hotel development. The 860 room **Hilton O'Hare Airport** followed in 1973, and the 503 room

area hotel development. The 860 room **Hilton O'Hare Airport** followed in 1973, and the 503 room **Crowne Plaza** joined in 1975. During the rapid growth of the mid-1980's, the 525 room **Westin**, 295 room **Four Points**, 294 room **Embassy Suites**, 300 room **Hilton Rosemont**, 256 room **Marriott Chicago Suites**, and 180 room **Courtyard Chicago** were all built on or near Des Plaines River Road, surrounding the Donald E Stephens Convention Center (itself built in 1975).

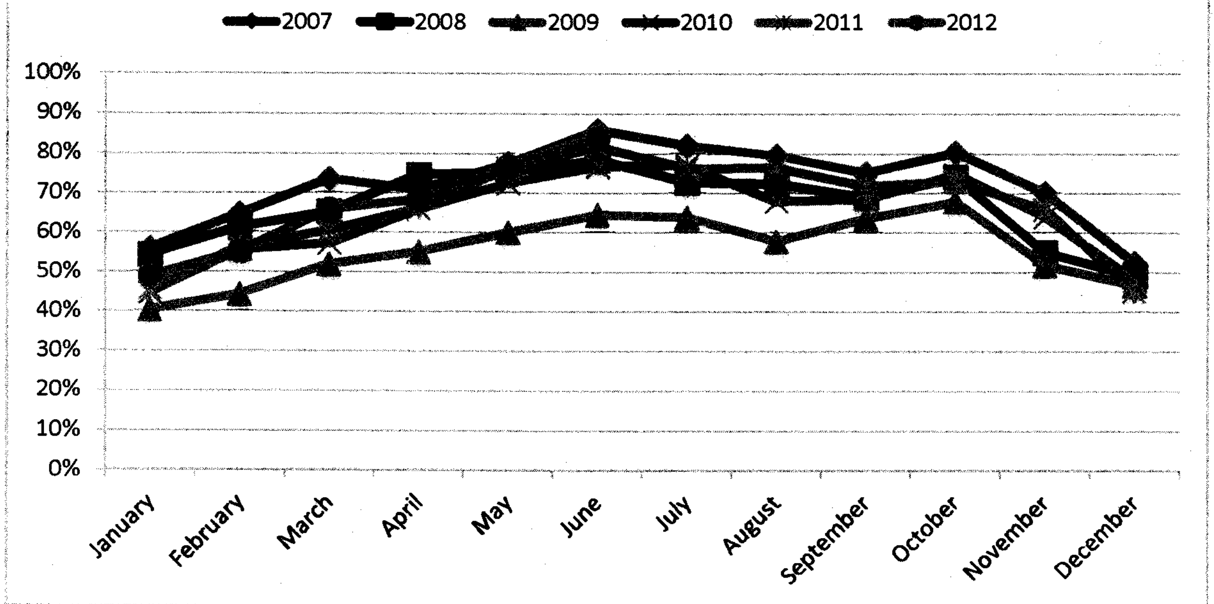
Later additions to the area include the 362 room **Renaissance**, 369 room **DoubleTree**, 251 room **aloft**, and the 556 room **InterContinental**.

Hotel business at the airport follows a seasonal pattern similar to air travel, with peaks occurring in early summer and early fall. Although the airport and surrounding area includes both business and leisure traffic it's obvious from the statistics as presented that the largest portion of the total demand is derived from the business travelers through O'Hare. The higher rates and convenience of the location to serve the metro area contribute to the higher level of business patronage.

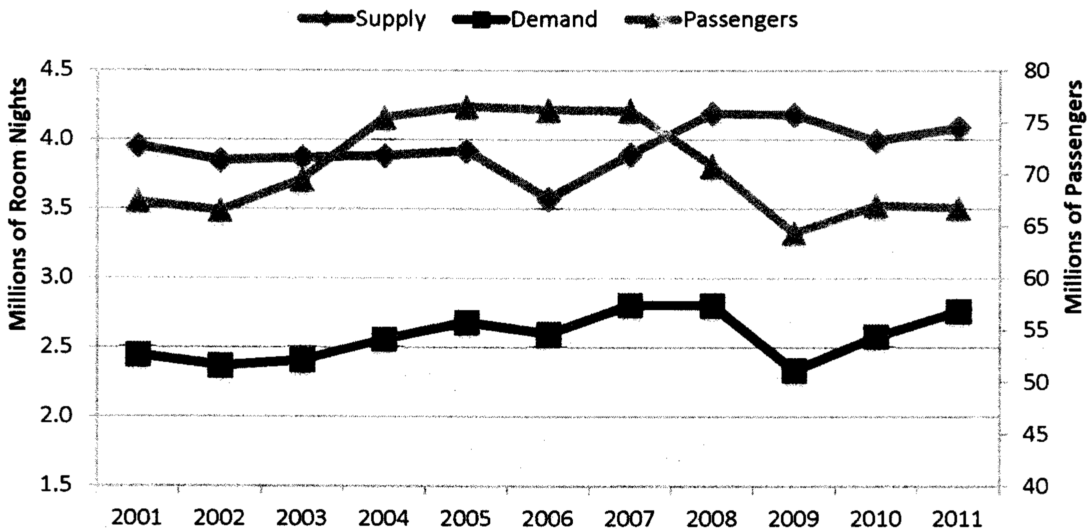
Much of the leisure travel is airport related, enhanced by local promotions by area properties for weekend events and package pricing. This is supplemented by the attendance at public shows at the Donald E. Stephens convention center and larger convention based hotel operations.


O'Hare Market Supply/Demand/Revenue
Supply
Demand
Revenue
12 per. Mov. Avg. (Supply)
12 per. Mov. Avg. (Demand)
12 per. Mov. Avg. (Revenue)
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
Jan-06
May-06
Sep-06
Jan-07
May-07
Sep-07
Jan-08
May-08
Sep-08
Jan-09
May-09
Sep-09
Jan-10
May-10
Sep-10
Jan-11
May-11
Sep-11
Jan-12
May-12

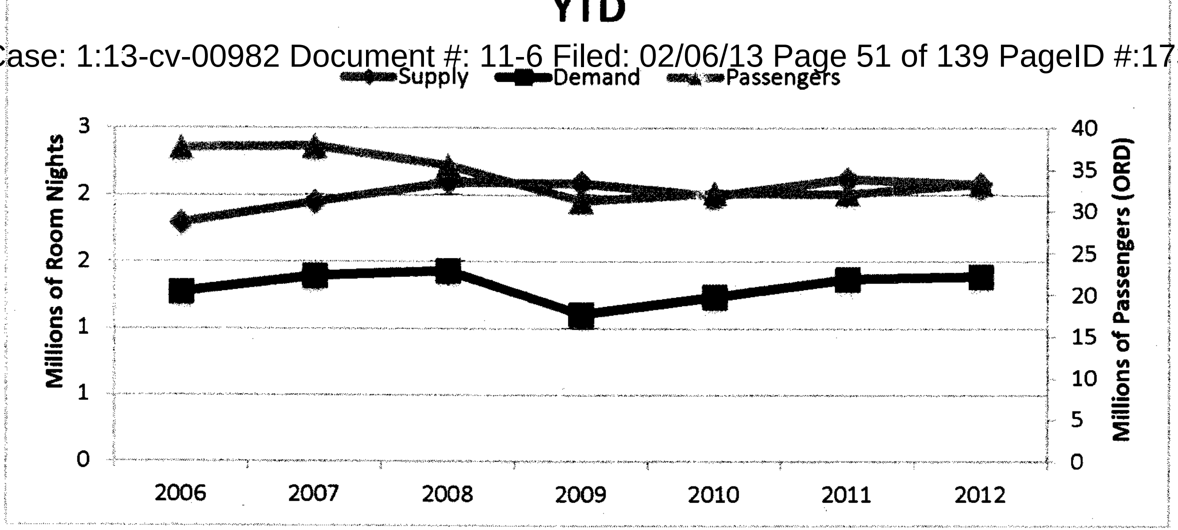
Historic O'Hare Occupancy

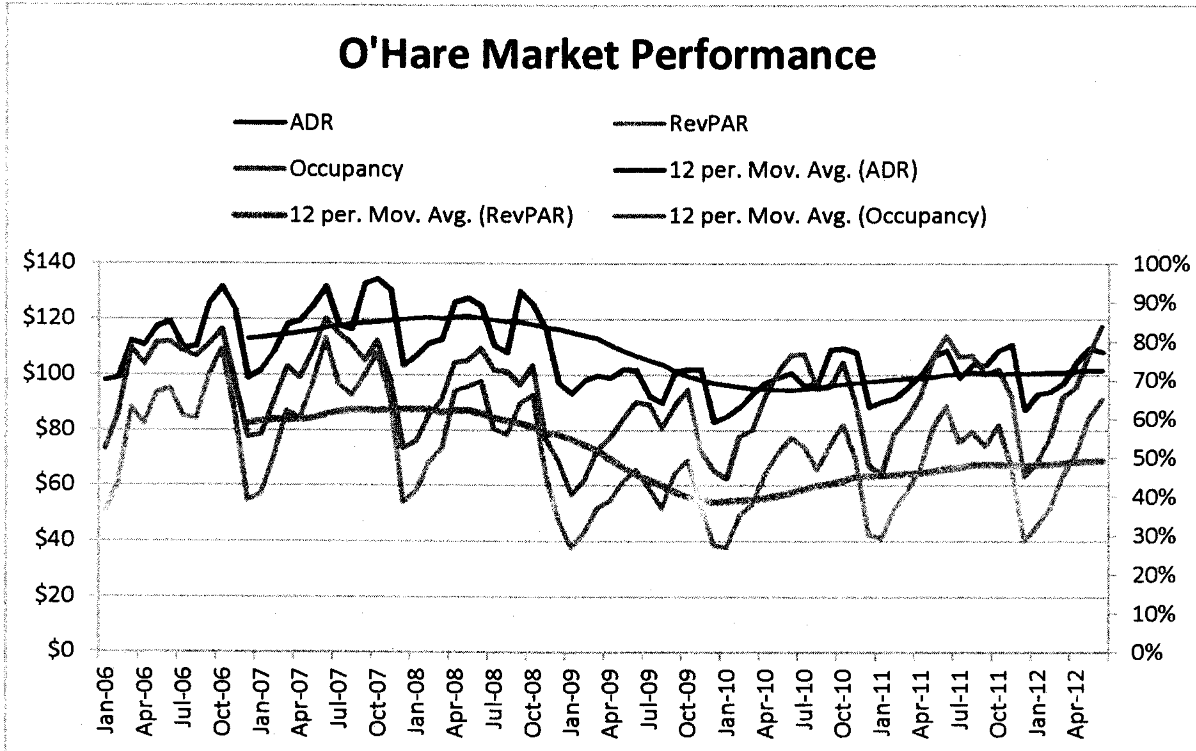


Annual Hotel Supply and Demand, and O'Hare Passenger Traffic

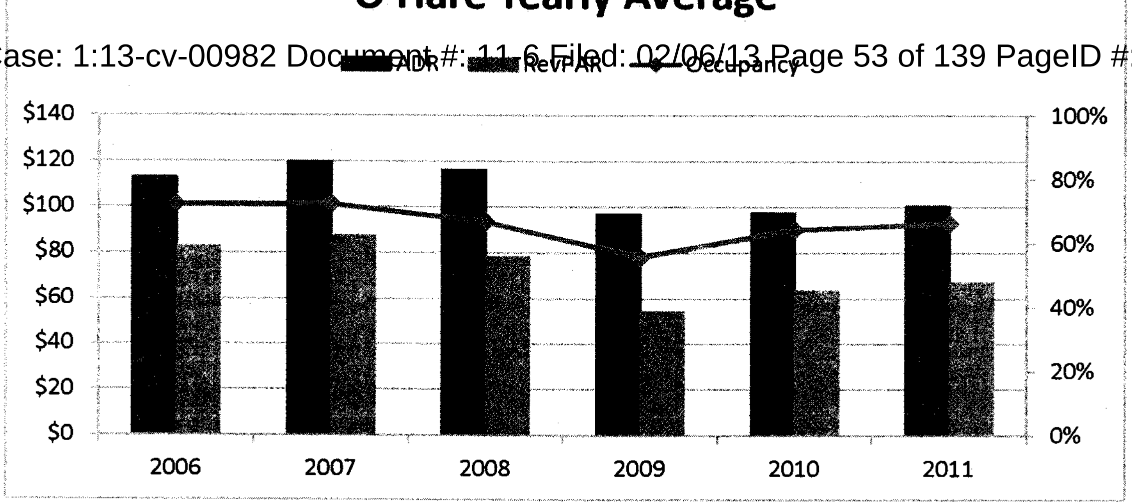


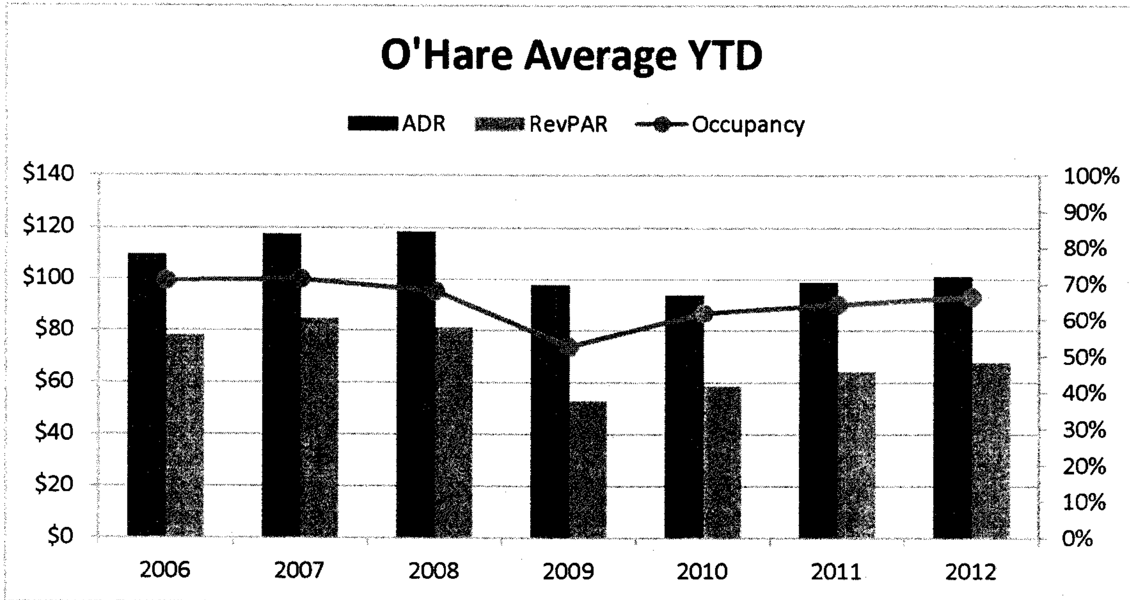
Supply, Demand, and O'Hare Passenger Traffic,

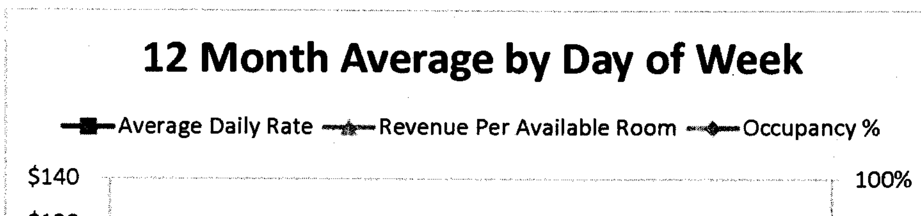

YTD
Supply
Demand
Passengers
Millions of Room Nights
Millions of Passengers (ORD)
3
2
2
1
1
0
40
35
30
25
20
15
10
5
0
2006
2007
2008
2009
2010
2011
2012

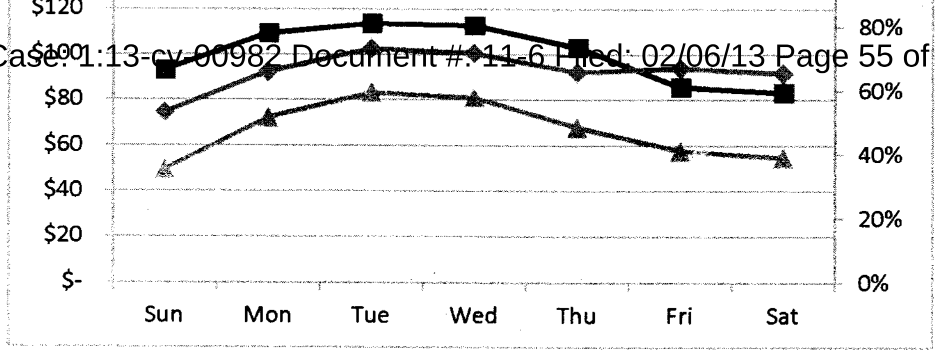


O'Hare Yearly Average


O'Hare Yearly Average
ADR
RevPAR
Occupancy
$140
$120
$100
$80
$60
$40
$20
$0
100%
80%
60%
40%
20%
0%
2006
2007
2008
2009
2010
2011


O'Hare Average YTD
ADR
RevPAR
Occupancy
$140
$120
$100
$80
$60
$40
$20
$0
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2006
2007
2008
2009
2010
2011
2012


12 Month Average by Day of Week
Average Daily Rate
Revenue Per Available Room
Occupancy %
$140
100%



OVERALL MARKET PERFORMANCE

The O'Hare market, despite being on the outskirts of Chicago and separated from downtown by at least 30 minutes of travel under the best of conditions, behaves more like the downtown market than the surrounding suburbs. This is clearly seen in the way that the market recovers from recessionary periods. For the clearest example, we contrast this performance with the downtown market and nearby DuPage, as numbers in most northwest suburban markets are generally at or below these levels. The

relationship between the downtown, suburban and O'Hare markets has historically resulted in a stronger performance for the O'Hare market area.

In broad terms, the O'Hare market is a secondary market, or the first overflow market, from downtown Chicago. This is because, in very generic terms, assuming the Chicago MSA was a wheel; both the commercial and cultural center would be located in the Downtown area. Though there are numerous businesses, and major demand generators located in the immediate area, as a rule of thumb, the average guest would likely prefer to stay downtown, all things being equal. Of course, the pricing, proximity to destination and personal factors all play a very important rule in hotel selection. The reason for making this distinction at all, is that it is important to understand that while O'Hare is a secondary market when compared to downtown, it has a much stronger draw than the surrounding suburbs.

For example, although occupancies and rates dropped precipitously in 2009 across all segments, DuPage remains well below the O'Hare market to this day. A longer historical view confirms that the DuPage Market is not as strong as it was 10 years ago. This results from a loss of the overflow business from the downtown market that provided some overflow to surrounding areas for 60 to 90 fill days annually. With the additional supply in the downtown market and reduced convention attendance, this support level was lost during the 2001 recession and the suburban market never recovered. The O'Hare market, on the other hand, has retained some of the overflow as it is the most convenient and logical referral market for major convention activities. In addition, unlike many other markets, the O'Hare area has sufficient infrastructure to support large groups and business clients compared to all other areas, except

downtown. Thus the O'Hare market, while impacted as strongly as the rest of the suburban markets as travel diminished, recovered more quickly and will sustain that improved performance, paralleling the CBD performance as demand stabilizes to pre-2009 levels.

In the past 3 years, strong supply growth occurred in all three markets, although this was offset slightly by numerous closures. At O'Hare, for example, the conversion of the old Sofitel to a Hilton, and the impact of the 556 room Intercontinental Hotel opening was partially offset by the closing of the Wyndham and the closing of rooms at the Hyatt for renovation. The new supply entering the Chicagoland market, broadly speaking is generally fairly upscale, while closures tended to be older properties. These newer properties have faced considerable hurdles in entering the market, and in the case of the Intercontinental, haven't yet achieved their target occupancy or rates.

Numbers show that recovery is already well underway, with occupancies increasing in virtually all markets last year, with some slight gains in average daily rate. These gains are still well below historic highs.

The drop in both occupancy and rate that the suburban markets have seen when compared to the highs achieved in 2007 is going to take longer to come back up, as the many overflow days they traditionally counted on are essentially gone. We anticipate that 2012 will see the O'Hare market increase by 4 percent in ADR within the next year, and around another 2.5% in occupancy, or around $105 and 68%, although this will still put it well below its historic highs.

The suppression of rate increases is exacerbated by the increasingly competitive corporate and leisure meetings market where new products and a more aggressive marketing program by all the area properties has led to rate compression during all but the very peak spring and fall convention seasons. The impact of these rates will gradually offset by more aggressive pricing strategies in the commercial sector and peak meeting periods.

The slower rate recovery is also attributed to the lead time for booking larger groups at the large convention hotels, where group rates were negotiated during the dog days of the recession. It will take another year to burn off the pre-committed lower rate positioning in place during the lowest part of this recessionary cycle.

Other factors influencing rate discounting include the extensive corporate contract discounts employed by either existing agreements with the market's franchises or aggressive pricing from the operators in the market area. Marketing and sales for most hotels in the group of significant hotel operations within the defined market are fairly aggressive due to the abundance of competition in the market.

Incredibly short lead times on bookings are the new reality, and we still don't know how to deal with it. The rates go all over the board because while we all know that we need to be able to manage revenue closely; we can't do it very effectively with these lead times. We see this continuing into the future and as an industry we need to adapt to this new reality.

In addition, continuing pressure from OTC (Online Travel Companies) as a primary referral channel has served to slow down rate growth considerably.

ADR rate growth considerably.

For many of the suburbs, downtown overflow has dried up, so demand has to be generated by localized sources. Fortunately in the case of O'Hare, one of the largest demand generators around lies just off their doorstep. In general, the hotel market lives and dies with airport traffic, which is affected by gas prices and the overall economy. Essentially, this market is hyper-sensitive to these fluctuations, and the strength of the market always closely reflects general economic conditions. As such, it is one of the first places to be hit by any downturn.

However, we feel that O'Hare should bounce back much faster than the suburban market in general, as it always has done, historically. Because it actually has a strong demand generator, when business returns, it is able to ramp up quite quickly. We would estimate a relatively strong increase in ADR in the market in general. We also anticipate somewhat strong occupancy growth in the future, though we have capped the market at around 73% Occupancy based on historic performance. Given current trends and market recovery the airport market should rebound to this level by 2015.

There are several projects in the planning stages, though we anticipate that only a few will open in the near future.

RECENTLY COMPLETED AND PROPOSED PROPERTIES

The site of the O'Hare Garden Inn on Higgins Road, between the Spring Hill Suites and the Marriott is the location of a planned 994 room platinum LEED hotel complex, called the Platinum Chicago Convention Center, including 4 separate brands, a 1,365 foot parking deck to meet zoning requirement and over 190,000sq/ft of common area shared meeting space. This project has been in planning stages since at least 2006, though has yet to get off the ground. The project is dependent on the international financing program currently pursued by the developer. We do not anticipate that this hotel will open, for a number of reasons, not least of which is the staggering cost of the project.

The Nursery Site, proximate to the Marriott on Higgins Road at Dee Road (NE River Road) has been discussed as a potential hotel site on several occasions. As the market rebounds it's possible the project would be revived. The most recent plans for this site were for a 250 room limited service property. The project is a planned development by the City of Des Plaines, and has been the subject of speculation since at least the year 2000, though plans have been tabled several times in the past during recessions. The other components of this development are of more interest to the developer and he has put out feelers for a company to develop a hotel on the site. It is unlikely to move forward at the present time.

Raymond Management Co. out of Middleton Wisconsin has had a long term plan to construct a 220 room Hampton Inn & Suites at the northwest corner of Higgins and Des Plaines River Road. Like many other projects, plans were put on hold in 2008, though according to STR it has resumed as of May 2012

other projects, plans were put on-hold in 2008, though according to STR it has resumed as of May 2012, and so should open in June of 2014.

The Airport Authority is discussing the development of an additional on-property hotel at the International terminal, similar to the Hilton, but smaller in size. Early estimates place it at 350 rooms, and would link it to the terminal. It would be a full service property with moderate meeting space, and would be subject to a land lease. This is a long term project, possibly getting underway as the airport expansion is completed with an estimated start date of not earlier than 2015.

In addition, the Airport Authority is intent on redeveloping the Cell Phone lot into a rental car hub for the airport, connected by tram to the terminal, and has plans to include a mixed use retail strip in the development. This would likely include service facilities, including restaurants and a gas station. They have discussed a hotel at the site, and the Authority is aggressively seeking an upscale development. However, studies completed to date find support in the area primarily for an extended stay or limited service hotel of a much more modest size. There is no set timeline on the hotel component of this project but it is likely years away.

The retail development where Muvico is located on Bryn Mawr at one point included plans for a hotel component. At the current time, Rosemont plans to create a shopping center in the area. The hotel project has been tabled for several years; however it could quickly be revived when market conditions improve. This project would be a limited service facility of unknown size, taking advantage of the retail infrastructure planned for the overall development. It is unlikely to move forward.

The PUD for Rivers Casino in Des Plaines includes the development of a hotel facility to serve the gaming operation and surrounding business. This is a phase two construction plan, and because of economic conditions at the current time, it is not imminent. The market is currently served by the nearby Courtyard and Hilton Garden Inn. This may happen at some point, but plans are not yet completed.

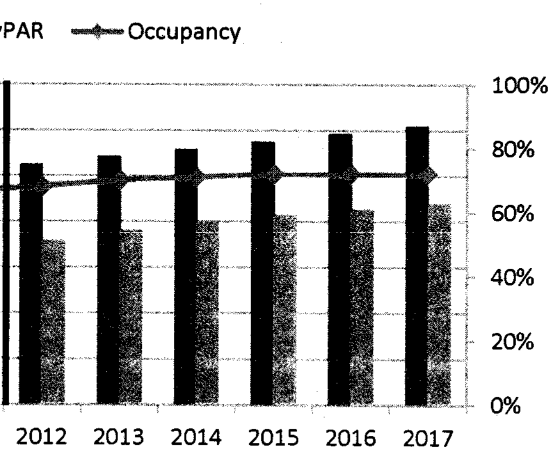
O'Hare Lakes, to the west of the tri-state from the Rivers Casino, has plans for extensive re-development, including office, retail, and possibly multiple hotels with as many as 700 rooms to serve the airport, casino, and local office markets. Tentative discussions have included a pedestrian ramp across the tri-state for casino patrons. This would be a phased development and is heavily contingent on availability of financing. It is unlikely to move forward as a hotel project at least in the short term.

All of the above projects are in early stages of planning, and depend on a considerable improvement of the lending market and the economy as a whole. None of these projects have any sort of firm timeline at current and would take a considerable time to get going should the market recover.

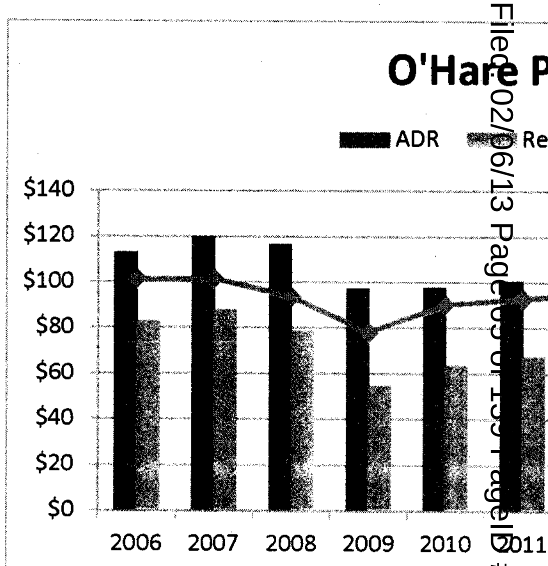
The rooms inventory at the airport was reduced by the closure and demolition of the low-rise components (240 rooms) of the former Ramada Inn, with the remaining rooms in the "newer" tower re-branded as a Holiday Inn Express property. The Wyndham with 468 rooms was closed by Sage Development and probably will not return to the transient lodging market. This property was developed in the 1960's and suffers from economic obsolescence and has a significant mold and mildew problem.

hange	RevPAR	% Change	Properties	Rooms
	$82.63		49	9806
6%	$87.66	6%	47	10666
-3%	$78.43	-11%	49	11483
-17%	$54.26	-31%	49	11462
1%	$63.47	17%	47	10907
3%	$67.16	6%	53	11618
4%	$71.14	6%	53	11410
3%	$75.80	7%	53	11410
3%	$79.19	4%	54	11653
3%	$82.71	4%	54	11653
3%	$85.19	3%	54	11653
3%	$87.75	3%	54	11653

rojections



FULL YEAR	Occupancy	% Change	ADR	%(
2006	72.35%		$113.05	
2007	72.34%	-0.013%	$120.04	
2008	66.77%	-7.702%	$116.51	
2009	55.67%	-16.625%	$97.10	
2010	64.37%	15.639%	$97.67	
2011	66.28%	2.961%	$100.60	
2012	68.00%	2.593%	$104.62	
2013	70.00%	2.941%	$108.28	
2014	71.00%	1.429%	$111.53	
2015	72.00%	1.408%	$114.88	
2016	72.00%	0.000%	$118.33	
2017	72.00%	0.000%	$121.88	



EXHIBIT

D

Investment Analysis

A Chicago Convention Center

8161, 8171 and 8211 West Higgins Road
Chicago, Cook County, Illinois 60631

Prepared For:

Lender - Underwriter
Finance Department
State of Ilinois

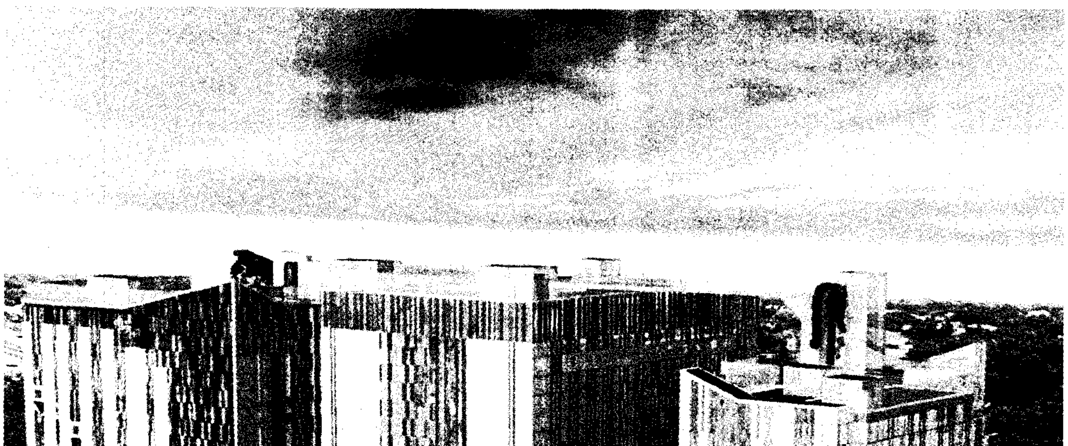
RASS Hospitality, LLC
8201 West Higgins Road
Chicago, Illinois 60631

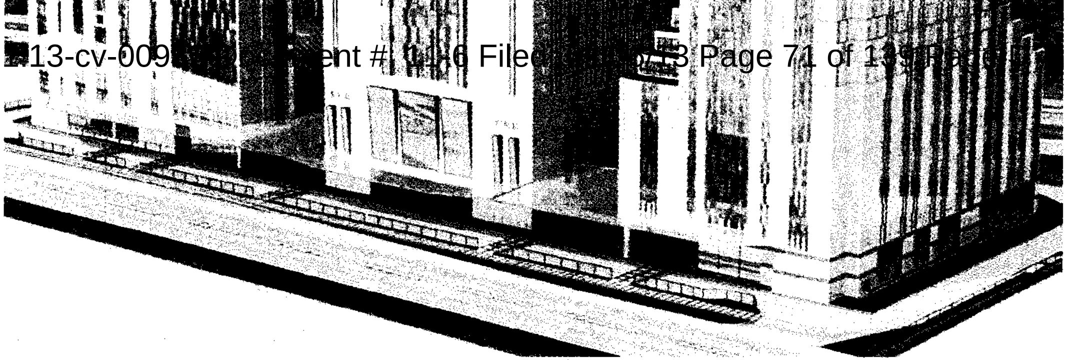
Integra Realty Resources - Chicago Metro

File Number: RASSHOS

INTEGRA Realty Resources

LOCAL EXPERTISE...NATIONALLY





PROPOSED A CHICAGO CONVENTION CENTER

INTEGRA Realty Resources
CHICAGO METRO
Local Expertise...Nationally

January 19, 2011

Mr. Anshoo Sethi
Managing Member
RASS Hospitality, LLC
8201 West Higgins Road
Chicago, Illinois 60631

SUBJECT: Proposed Chicago Convention Center
8161, 8171 and 8211 West Higgins Road
Chicago, Illinois 60631
Integra Realty Resources – Chicago Metro File No. RASSHOS

Dear Mr. Sethi:

Consistent with your request, we have prepared a full narrative investment analysis report for the referenced property. This analysis is not an appraisal and should not be construed as such. The conclusions for this investment analysis are based upon a set of criteria consistent with the investment plans for development.

The proposed convention center / hotel complex will be developed on land consisting of three contiguous sites situated at 8161, 8171 and 8211 West Higgins Road in Chicago's O'Hare Airport submarket. The sites are zoned for hotel use and have been approved for a total maximum of 995 guest units (rooms/suites). Lot 1, situated at 8161 West Higgins Road, contains 41,224 square feet; Lot 2, situated at 8171 West Higgins Road, contains 38,961 square feet; and Lot 3, situated at 8211 West Higgins Road, contains 41,906 square feet. The total land area is 122,091 square feet, or 2.80 acres.

The proposed project, to be known as the Chicago Convention Center, will be the first Zero Carbon Platinum LEED accredited and 100% allergen-free convention center complex in the world. All guest rooms will be improved with state-of-the-art technology.

The center will include five upper/up-scale hotel brands in three towers. The first tower is a 17-story Starwood Element, which will contain 321 guest suites plus 15 conference suites for a total of 336 rooms. The second tower is comprised of a 19-story, 209-room IHG Hotel Indigo and 154-suite Staybridge Suites. The 14-story third tower will contain a Hyatt Place with 148 rooms and a Hyatt Summerfield Suites with 148 rooms.

Mr. Anshoo Sethi
January 19, 2011
Page 2

The property will include four floors of convention space with a total of 290,000 square feet, all of which will be connected across the lower levels of all three towers. A total of 55,000 square feet will be allocated for restaurants, lounges, and bars throughout the complex. A 1,720-space automatic robotic parking structure will lie below the convention center / hotel complex aligned beneath the second tower. The development will also feature the largest guest accessible, hotel green-roof complex in the country, containing almost an acre allocated for a spa, a yoga studio, a bar/lounge area, and a miniature golf course. A total of 995 rooms are proposed, of which 786 will be suites.

Completion of the project is scheduled for January 2014 and ownership forecasts that stabilized occupancy valuation will occur as of January 1, 2018.

The purpose of this consultation is to provide a price analysis for the land based on allocation of the forecasted stabilized income stream in terms of the relative contributions of the land; improvements; furniture, fixtures and equipment (FF&E); business enterprise; and start-up costs as of the date of stabilized occupancy valuation, January 1, 2018.

The client and intended user is the lender and underwriter (State of Illinois) and the developer RASS Hospitality, LLC. The intended use of this report is for investment underwriting purposes.

Based on the conclusions in this report, and subject to the definitions, assumptions, and limiting conditions expressed herein, the concluded going concern pricing model indicates a price of $1,190,000,000 and a land price range from $615,100,000 to $757,000,000.

These conclusions are subject to the Assumptions and Limiting Conditions cited in this report.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY RESOURCES - CHICAGO METRO

Gary K. DeClark, CRE	J. Denis Gathman, CRE
Managing Director	Director of Hospitality Services

ASSUMPTIONS AND LIMITING CONDITIONS

This analysis is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the economics of the property.
3. The Counselors do not assume any responsibility for hidden or unapparent conditions of the property, subsoil, or structures, or the correction of any defects now existing or that may develop in the future.
4. The property will be complete in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
5. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This analysis is subject to the following limiting conditions, except as otherwise noted in the report.

1. The conclusions stated in our analysis report apply only as of the effective date of the report, and no representation is made as to the effect of subsequent events.

2. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

3. No environmental impact studies were either requested or made in conjunction with this analysis, and we reserve the right to revise or rescind any of the opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the analysis assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

4. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.

5. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions, other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.

6. Neither all nor any part of the contents of this report shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the counselors signing this report.

7. Information, estimates and opinions contained in the report, obtained from third-party sources are assumed to be reliable and have not been independently verified.

8. The current purchasing power of the dollar is the basis for this analysis. We have assumed that no extreme fluctuations in economic cycles will occur.

9. The conclusions indicated in this report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. However, inevitably some estimates or assumptions will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

10. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of the proposed property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines.

11. This report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in this report without our written consent do so at their own risk.

12. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our analysis is predicated on the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject

representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, this report cannot be considered an environmental assessment of the subject property.

13. Integra Realty Resources – Chicago Metro is not a building or environmental inspector. Integra Chicago Metro does not guarantee that the subject property is free of defects or environmental problems. A professional inspection is recommended.

14. This report and any conclusion/s herein are based on the assumption that the proposed improvements will be completed in a satisfactory and workmanlike manner.

15. It is expressly acknowledged that in any action which may be brought against Integra Realty Resources – Chicago Metro, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement, the analysis report, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for an incidental or consequential damages or losses, unless the analysis was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the analysis report unless the analysis was fraudulent or prepared with gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance on the foregoing limitations of liability.

16. Integra Realty Resources – Chicago Metro, an independently owned and operated company, has prepared this analysis report for the specific purpose stated elsewhere in the report. The intended use of this analysis report is stated in the letter of transmittal. The use of this analysis report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the analysis report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to any disclosure of the analysis report (or any part thereof including, without limitation, conclusions and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the analysis report (even if their reliance was foreseeable).

17. The conclusions stated in this report are estimates based on known current trends and reasonably anticipated future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the signatories of this report are not responsible for these and/or other future occurrences that could not have reasonably been anticipated on the effective date of this assignment. Furthermore, it is inevitable that some assumptions may not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing at the time of stabilization.

18. This analysis is subject to detailed review of construction plans, specifications, and ownership's construction cost estimates.

19. This analysis is subject to detailed review of the income and expense estimates forecasted by lender's market research report conducted by T. R. Mandigo and Company.

20. This analysis is based on the premise that the total project budget of $734,955,171 is a guaranteed maximum price construction contract from Upgrowth, LLC.

GENERAL INFORMATION

The proposed convention center / hotel complex will be developed on land consisting of three contiguous sites situated at 8161, 8171 and 8211 West Higgins Road in Chicago's O'Hare Airport submarket. The sites are zoned for hotel use and have been approved for a total maximum of 995 guest units (rooms/suites). Lot 1, situated at 8161 West Higgins Road, contains 41,224 square feet; Lot 2, situated at 8171 West Higgins Road, contains 38,961 square feet; and Lot 3, situated at 8211 West Higgins Road, contains 41,906 square feet. The total land area is 122,091 square feet, or 2.80 acres.

The proposed project, to be known as the Chicago Convention Center, will be the first Zero Carbon Platinum LEED accredited and 100% allergen-free convention center complex in the world. All guest rooms will be improved with state-of-the-art technology.

The center will include five upper/up-scale hotel brands in three towers. The first tower is a 17-story Starwood Element, which will contain 321 guest Suites plus 15 Conference Suites for a total of 336 rooms. The second tower comprises a 19-story, 209-room IHG Hotel Indigo and 154-suite Staybridge Suites. The 14-story third tower will contain a Hyatt Place with 148 suites and a Hyatt Summerfield Suites with 148 suites. A total of 995 rooms are proposed, of which 786 will be suites.

The property will include four floors of convention space totaling 290,000 square feet, all of which will be connected across the lower levels of all three towers. There will be 55,000 square feet allocated for restaurants, lounges, and bars throughout the complex. A

[illegible] square feet allocated for restaurants, lounges, and bars throughout the complex. A 1,720-space attendent / valet parking structure will sit below the convention center / hotel complex aligned underneath the second tower. The development will also feature the largest guest accessible hotel green-roof complex in the country, containing nearly an acre allocated for a spa, a yoga studio, a bar/lounge area, and a miniature golf course.

The property is currently owned by RASS Hospitality, LLC.

NEIGHBORHOOD ANALYSIS

BOUNDARIES

The subject is in the northwest section of the City of Chicago, Illinois, near O'Hare International Airport. For the purposes of this report, the neighborhood boundaries are considered to be as follows.

North	Higgins Road
South	Kennedy Expressway (Interstate 90)
East	Canfield Avenue
West	Cumberland Avenue

The neighborhood is primarily commercial in nature along the primary thoroughfares such as Higgins Road and Cumberland Avenue and there is significant residential development to the north of the subject in the Village of Park Ridge.

ACCESS

Primary access to the neighborhood is via Interstate 90 (Kennedy Expressway), Higgins Road (a four-lane, northwest-southeast street), Canfield and Cumberland Avenues. There is a four-way interchange at I-90 and Cumberland Avenue.

TRANSPORTATION

TRANSPORTATION

Public transportation is provided by the Chicago Transit Authority (CTA) and Pace (suburban) bus systems. The nearest commuter rail station (CTA Blue Line) is located at I-90 and Cumberland Avenue, a short walking distance from the subject. Ride time to downtown Chicago is approximately 24 minutes. Public transportation considered very good, overall.

EMPLOYMENT

Primary employment centers in the neighborhood consist of commercial, office, service users and O'Hare International Airport. Reportedly, many neighborhood residents work in Chicago's Loop and in nearby suburbs.

PUBLIC SERVICES

Neighborhood schools, fire and police protection are all considered above average.

LAND USE

Neighborhood land uses include a mix of commercial and residential land uses. Other land use characteristics are summarized in the following outline format.

Predominant Age of Improvements	20 to 55 years
Predominant Quality and Condition	Average to Very Good
Approximate Percent Developed	99%
Percent Developed as Single-family	2%
Life Cycle Stage	Stability
Infrastructure/Planning	Above average
Predominant Location of Undeveloped Land	None
Prevailing Direction of Growth	None

Land Uses in the Subject's Immediate Environs

North	Commercial buildings, townhouse buildings, and fast food restaurants
South	Interstate 90 (Kennedy Expressway)
East	Springhill Suites
West	Hooters Restaurant and bank office building

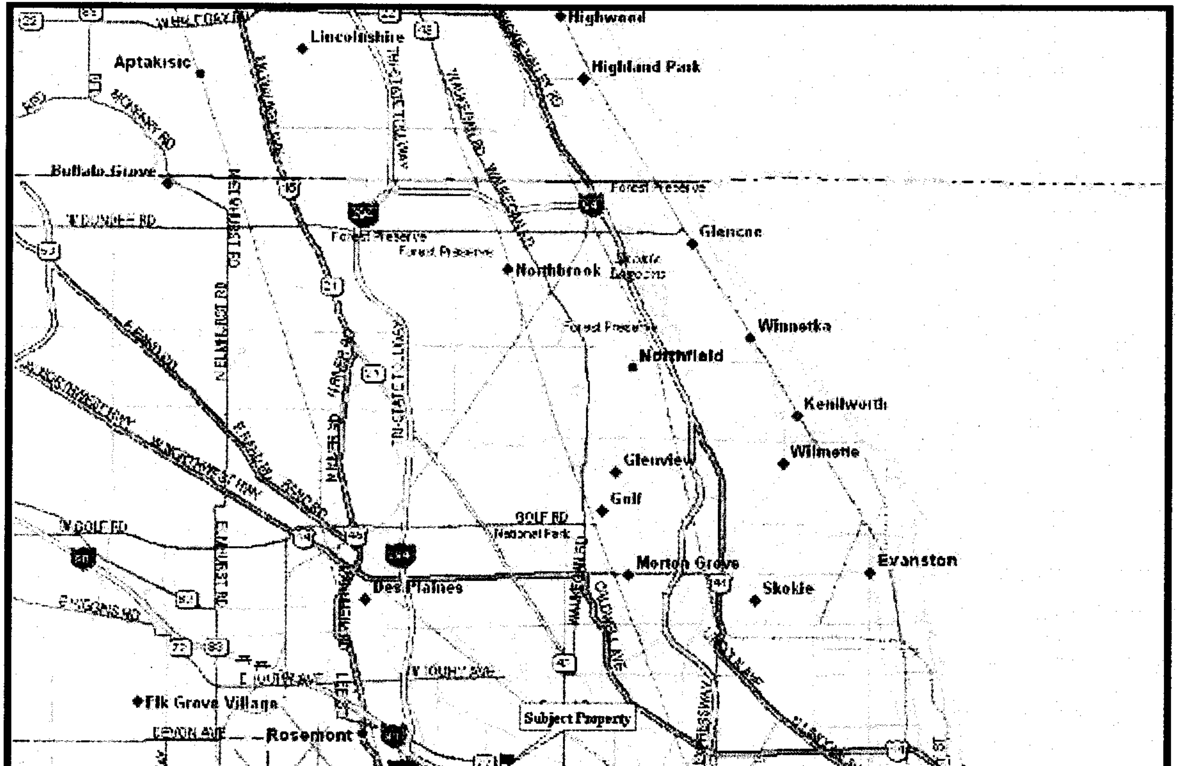
DEVELOPMENT ACTIVITY

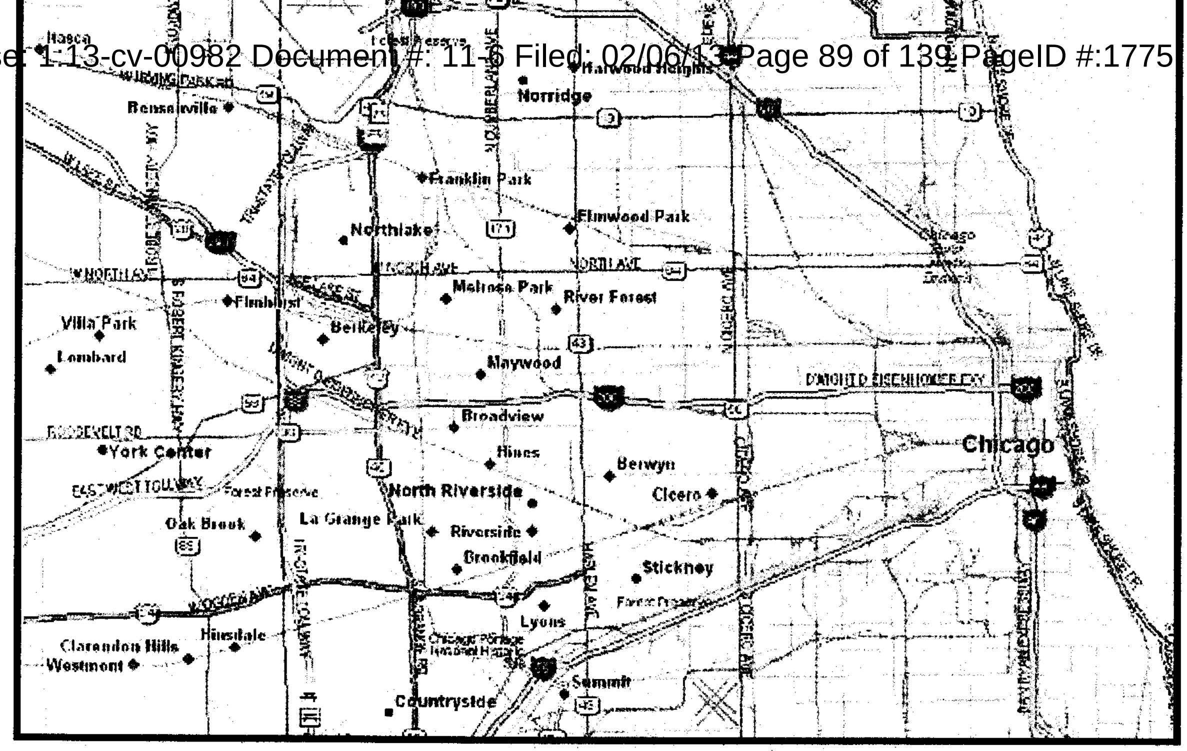
There has been no recent construction along Higgins Road; however, a nearby commercial building has been renovated.

OUTLOOK AND CONCLUSIONS

The neighborhood is in the stability stage of its life cycle with little vacant land available for development. Considering the history of the area and its proximity to O'Hare International Airport and major highways, including Interstate 90 (Kennedy Expressway) and Interstate 294 (Tri-State Tollway), it is our opinion that values in the area will remain relatively stable in the near future and increase in the mid-term with the completion of O'Hare International Airport Modernization expansion project.

AREA MAP


Highwood
Lincolnshire
Aptakisic
Highland Park
Buffalo Grove
Forest Preserve
Glencoe
Northbrook
Winnetka
Northfield
Kenilworth
Wilmette
Glenview
Golf
GOLF RD
National Park
Morton Grove
Evanston
Skokie
Des Plaines
N GOLF RD
TRI-STATE TOLLWAY
NORTHWEST HWY
W TOUHY AVE
Elk Grove Village
Rosemont
Subject Property


Itasca
Bensenville
Norridge
Franklin Park
Elmwood Park
Northlake
Melrose Park
River Forest
Elmhurst
Villa Park
Berkeley
Lombard
Maywood
D'AIGHT D EISENHOWER EXY
Broadview
Chicago
ROOSEVELT RD
York Center
Hines
Berwyn
North Riverside
Cicero
Forest Preserve
Oak Brook
La Grange Park
Riverside
Brookfield
Stickney
Lyons
Hinsdale
Clarendon Hills
Westmont
Summit
Countryside

PROPERTY ANALYSIS

DESCRIPTION AND ANALYSIS OF THE LAND

The site was subdivided into three parcels via a Planned Development (PD).

LAND DESCRIPTION

		Lot 1	Lot 2	Lot 3	Total
Land Area*	Acres:	0.95	0.89	0.96	2.80
	Square Feet:	41,224	38,961	41,906	122,091
Primary Street Frontage		212'8"	175'	160'8"	558' 4"
		All Lots			
Shape		Irregular			
Corner		No			
Topography		Level			
Drainage		No problem reported or observed			
Environmental Hazards		None reported or observed			
Ground Stability		No problems reported or observed			
Flood Area	**Panel # / Date:**	17031C0380J /August 19, 2008			
	Zone / Description:	X / Outside of 500-year flood plain			
	Insurance Required:	No			

* Source of Land Area Data: Preliminary civil site plan prepared by Ridgeline Consultants, LLC of Montgomery, Illinois and dated May 15, 2007, and [illegible]

Illinois and dated May 15, 2007, and ownership.

STREETS, ACCESS, FRONTAGE

Street	Higgins Road
Frontage	548.66 feet (street); 559.91 feet (expressway)
Paving	Asphalt
Curbs/Gutters	Yes
Sidewalks	Yes, north side
Lanes	Four
Direction of Traffic	Northwest/Southeast
Condition	Good
Traffic Control	No
Access	Three concrete curb cuts on the south side Higgins Road
Visibility	Very good - the site has frontage on the Kennedy Expressway

LEGAL

The zoning designation of the subject is currently PD-1136, Planned Development. According to the Plan of Development Statements, "Unless substantial construction of the improvements contemplated in this planned development has commenced within six (6) years following adaption of this planned development and unless completion thereof is diligently pursued, then this planned development shall expire and the property shall automatically revert back to that of a B3-1 Community Shopping District. This six (6) year period may be extended for up to one (1) additional year if, before expiration of the six (6) year period, the commissioner of Planning and Development determines that good cause for an extension is shown.

Zoning	
Jurisdiction	City of Chicago
Designation	PD-1136
Permitted Uses	Business and Commercial uses with related and accessory uses. A maximum of 995 hotel rooms in three buildings also containing convention center, banquet and meeting space with accessory parking have been approved. A summary of the zoning ordinances and approval can be found in Addendum B.
Uses	Hotel and retail space.
Building Restrictions	Floor Area Ratio may not exceed 5.0. Maximum of 182 feet as measured to the underside of the mechanical equipment

penthouse.

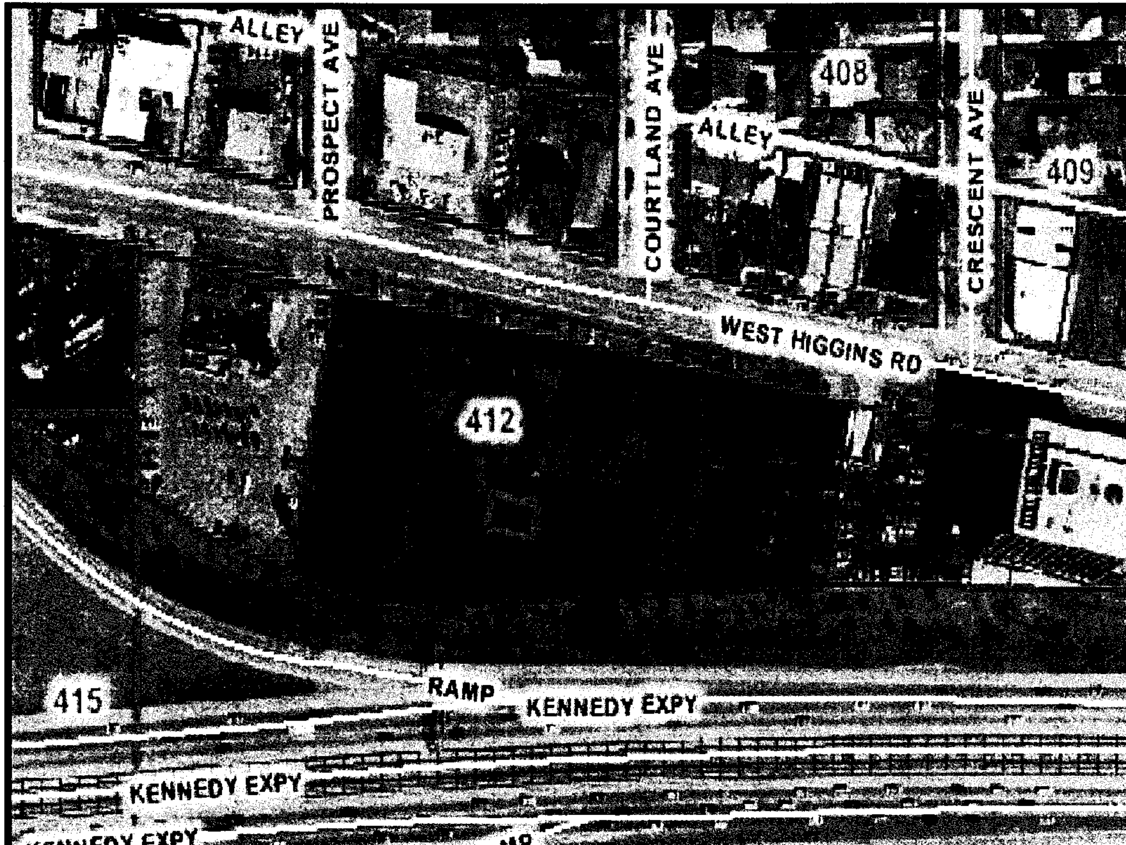
Parking Requirement Maximum of 1,365 for total of 1,900 valet spaces

UTILITIES

Service	Provider
Water	Municipal
Sewer	Municipal
Electricity	ComEd
Natural Gas	Peoples Gas
Local Phone	Various

SUMMARY OF LAND DESCRIPTION

Overall, the physical characteristics of the subject site are suitable for the proposed development. Most factors, including its topography, location, and visibility, are very positive attributes. The subject site is more than adequate for uses such as those permitted by zoning, including convention center / hotel complex use. The available utilities adequately service the site.


ALLEY
PROSPECT AVE
COURTLAND AVE
408
ALLEY
CRESCENT AVE
409
WEST HIGGINS RD
412
RAMP
KENNEDY EXPY
415
KENNEDY EXPY

CONCLUSION OF LAND ANALYSIS

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of reasons. This site is unique and unparalleled in the O'Hare area. There is no comparable parcel in terms of development potential considering the combination of size, exposure/access, zoning and location. The locational benefits of the subject parcel include its location 2 miles from O'Hare Airport, 1 miles from the Rosemont Convention Center, 2.5 miles from the Allstate Arena, 3 miles from the Des Plaines Casino (under construction) and proximate with easy access to both the Interstate highway system (I-90 – Kennedy Expressway and I-294 – Tri-State Tollway) and the Chicago rapid transit system (CTA Blue Line).

LAND RESIDUAL ANALYSIS

This method is based on the principle of balance and the related concept of contribution, which are concerned with equilibrium among the agents of production (i.e., labor, capital, coordination, and land). In this analysis, the pricing for the subject land is based on the current zoning for the proposed development. We have selected this method in this analysis because of the unique character of the site. There is no comparable parcel in terms of development potential resulting from the combination of size, exposure/access, zoning and location.

Application of this method involved allocating the subject's estimated stabilized net operating income for return on and of the improvements, on and of the FF&E, business enterprise return, and return on start-up costs to derive a pricing range for the land.

This approach recognizes the physical hotel components of land and improvements. In this analysis we also break out the components of furniture, fixtures and equipment (FF&E); business enterprise; and start-up costs, and separate the property into the various components for analysis. Each component contributes, but only in combination with the others, to the production of Net Operating Income (NOI). The investment in the improvements, FF&E, business enterprise, and start-up costs require capital recovery, while the investment in the land does not and cannot.

The residual technique of income capitalization operates on the premise that the price of one of the components of a property (the land, the improvements, the FF&E, the business

enterprise, or start-up costs) can be estimated individually. By applying appropriate capitalization rates, it is possible to identify the dollar amount of net income necessary to support the investment. The amount of net operating income (NOI) remaining after the minimum acceptable and fair return on or return on and of the component/s with known cost is available to support the investment in the remaining component, which, in this analysis, is the land. This remaining NOI is considered residual income, which is the amount of income available to support the investment in the land. This residual income is then capitalized to estimate the contribution of the land to the total property. In this analysis, we provide a range of capitalization rates to yield an appropriate pricing range.

The execution of this assignment included the following:

1. Reviewed the Statement of Estimated Annual Operating Results for the five-year period January 1, 2014 to December 31, 2018 for each proposed hotel. Reportedly, the annual operating data were prepared by research expert TR Mandigo & Co., hotel consulting firm. In this analysis, we use the net operating income estimate of $107,398,000 for the period January 1, 2018 to December 31, 2018 to derive a stabilized price for the facility as of January 1, 2018.

2. Reviewed the Summary Report on Market Research to Determine the Potential Market for the Proposed Construction of a Zero Carbon Emission Platinum LEED Convention Center Hotel Complex, prepared by TR Mandigo & Co. and dated January 10, 2011.

3. Reviewed ownership's Executive Summary – A Chicago Convention Center.

4. Reviewed the report on the convention center hotel complex prepared by TR Mandigo & Co. and dated January 10, 2011.
5. Reviewed several investor surveys in order to derive an appropriate capitalization rate.

CAPITALIZATION RATE ANALYSIS

The method selected for this analysis is direct capitalization of the projected net operating income for the period January 1, 2018 to December 31, 2018

Going Concern Price

In order to estimate an appropriate going concern price for the convention center / hotel complex as of January 1, 2018, we reviewed the following investor surveys: *Korpacz Real Estate Investor Survey* 2011Q1 – Luxury and Upper-Upscale Lodging Segment, which indicated an average projected capitalization rate of 9.05%; Integra Realty Resources *Viewpoint* 2011 – Chicago Airport Lodging, which indicated a projected capitalization rate of 11.25%; and *Realty Rates* 2011Q1 – Full Service Lodging Facilities, which indicated an average projected capitalization rate of 9.44%. We also reviewed the market data based on actual sales presented in Real Capital Analytics, which indicated an average capitalization rate of 6.8% for the trailing 12 months ending October 2010.

Because the capitalization rate is based on the anticipated income considered in a future transaction, it must be derived from investor expectation rather than from actual

sales. In selecting a capitalization rate, a potential hotel investor considers several factors: forecasted occupancy and ADR; change in interest rates; location; position of the hotel in the market place; future stability of the local economy; intensity of management required; operations factors; reservation system; and rates of return on similar investments.

The cited surveys and data indicate capitalization rates from 6.8% to 11.25% for full service hotels. Capitalization rates have decreased from the highs of 2008 and have shown significant decreases since 2009. In the final analysis, the quality, quantity, and durability of the subject's income must be considered when calculating an appropriate overall rate. The subject property should compete very successfully given its brand affiliations; access to nearby O'Hare Airport, especially with the expansion of the airport scheduled for completion in 2014; and, perhaps most significantly, its status as the first Zero Carbon Platinum LEED accredited and 100% allergen-free convention center / hotel complex in the world with state-of-the-art technology in all guest rooms.

It is our opinion that a projected capitalization rate of 9.0% is appropriate for the going concern price, as stabilized as of January 1, 2018.

Return On and Of the Improvement Component

The building capitalization rate includes two components, namely an investment real estate rate and a recapture rate. In this analysis, we use current mortgage rates for hotels, which range from 6.5% to 8.0%, for the investment real estate, or return on rate and but as this projection is for five years and mortgage rates increasing while this project has secured long-term bond financing in the anticipated range of 3.30%.

The recapture rate, which reflects the fact that improvements depreciate, is based on life expectancy guidelines from *Marshall Valuation Service (MVS).* A review of MVS indicates an appropriate life expectancy of 50 years. Therefore, we use a recapture rate of 2% per year for return of rate, which results in a total 5.30% return on and of rate for the improvement component.

Return On and Of the Furniture, Fixtures and Equipment Component

Regarding the furniture, fixtures and equipment component, for the return on capital we use a 3.30% rate based on the expected mortgage rate. We base the rate for the return of capital on an expected life of 15 years, which results in a rate of 6.65% (rounded). Therefore, the total rate is 10.00% return on and of capital for the FF&E.

Business Return

This return rate is to compensate ownership's contribution to the property, i.e., overseeing the operations of the property, which includes labor and entrepreneurial

risk. In this analysis, with consideration given to the magnitude of the project, we consider a 15% rate of return appropriate.

Return On the Start-Up Costs Component

We base the return on rate for the start-up costs component on the return on rate for the FF&E or 10.00%.

Land Price

In order to estimate an appropriate range of capitalization rates for the land as of January 1, 2016, we reviewed RealtyRates.com Investor Survey – Q12011, which indicates an average capitalization rate for lodging facility land of 8.06%. We also considered information from Calkain Research net lease database. Currently, capitalization rates for rental commercial properties with triple net leases range from 6% for banks to 7.25% for retail properties.

Historically, unsubordinated triple net leases for credit-worthy tenants have ranged from 250 basis points to 400 basis points over 10-year treasury notes depending on the location of the property and the credit-worthiness of the tenant/s. The most recent treasury rate is 3.45%. This rate added to the basis point range of 250 to 400 (2.5% to 4.0%) results in a capitalization rate range from 5.95% to 7.45% for improved properties. Although ground lease rates typically are lower than rates for improved properties, we use a capitalization rate range of 6.5% to 8.0% because this is a projection for almost five years hence and rates are likely to increase.

This capitalization rate range indicates a price range for the land as follows:

Residual Income Attributable to the Land	Capitalization Rate	Pricing Indication
$49,206,898	8.0%	$615,100,000
$49,206,898	6.5%	$757,000,000

The resulting pricing range indication for the land is from $615,100,000 to $757,000,000.

IRR
Integra Realty Resources

ADDENDUM A

QUALIFICATIONS

IRR
Integra Realty Resources

PROFESSIONAL QUALIFICATIONS
OF
GARY K. DeCLARK, MAI, CRE, FRICS

EXPERIENCE:

Mr. DeClark is the Managing Director for INTEGRA REALTY RESOURCES, Inc. in Chicago, Illinois and Milwaukee, Wisconsin. He has been actively engaged in real estate valuation and counseling since the mid 1970s. His background includes several years in trust asset management, and life insurance company mortgage underwriting, and 20 years serving the general public. Recent experience is concentrated in major urban and suburban developments. Valuations have been performed on various properties including, but not limited to: special use properties; neighborhood, community and regional shopping centers; apartment complexes; single- and multi-tenanted industrial buildings; low to high rise office buildings; mixed use facilities; and vacant land for different uses. Specialized real estate valued includes golf courses, casinos, self-storage, athletic clubs and congregate care/nursing facilities. Clients served include accountants, investment firms, law firm's lenders, private and public agencies. Valuations have been performed for condemnation purposes, bankruptcy estate planning, financing, investment analysis equity participation, due diligence support and re-use development.

Valuations and market studies have been done on proposed, partially completed, renovated and existing structures.

He is qualified as an expert witness in: Northern Illinois Federal District Court; Northern and Southern Indiana Federal District Courts; the Circuit Courts of Cook County, Lake County DuPage County, and Kane County; and the Circuit Court of Lake County, Indiana.

PROFESSIONAL ACTIVITIES:

Member: Appraisal Institute (MAI No. 6362)
(Current President, Chicago Chapter 2001)
(Past Admissions Chairman, Chicago Chapter 1990-1992)
(Past Secretary and Treasurer, Chicago Chapter)

Counselors of Real Estate (CRE No. 1095)
(Past Midwest Chapter Chairman – 1999-2000)

Licensed: Certified General Real Estate Appraiser in states noted below:

Illinois – No. 153-000218	Minnesota – No. 4001839
Georgia – No. 007301	Nebraska – No. CG980092
Indiana – No. CG49300124	New York – No. 46000038089
Iowa – No. CG1640	Ohio – No. 389977
Michigan – No. 1201002765	Wisconsin – No. 261

Author: "Tax Reform Act of 1976," The Atlanta Real Estate Journal, Fall 1978
"Counseling and the Institutional Client," Real Estate Issues, Dec. 1995

EDUCATION: B.S. Degree, Finance, University of Illinois, Champaign/Urbana, Illinois (1975)
M.A. Degree, Real Estate and Urban Development, University of Georgia, Athens, Georgia (1978)

He has successfully completed numerous real estate and related courses and seminars sponsored by the Appraisal Institute, accredited universities and others.

CERTIFICATION: He is currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members.

IRR
Integra Realty Resources

PROFESSIONAL QUALIFICATIONS
OF
J. DENIS GATHMAN, MAI, CRE, SRA, FRICS

EXPERIENCE:

Mr. Gathman is a director of INTEGRA REALTY RESOURCES—CHICAGO. His background includes over 35 years of extensive real estate experience including development, valuation, evaluation, acquisition, due diligence investigation, asset management, loan underwriting, construction management, property management, and operational and financial audits of properties in a wide range of types and locations and having an aggregate value over $25 billion.

Mr. Gathman has been involved in administering the development of apartment buildings, hotels, congregate care facilities, retail strip malls, office buildings and self-storage facilities. He has performed extensive development services which provided client and ownership assurance that the primary development risks of construction, finance, and marketing are managed in a way to enhance value and mitigate risk.

Previously at VMS Realty Partners, he administered and directed the Construction Services Department which was responsible for all capital repair and replacements at over 150 properties with an annual budget of approximately $25 million. Further, he managed and participated in acquisition strategies, investigations, valuations, and evaluations of over 250 properties including land, apartment complexes, hotels, office buildings, shopping centers, and proposed income-producing projects including multi-family, office, retail, hotel and multi-use developments and single-family residential

family, office, retail, hotel and multi-use developments and single family residential subdivisions. Resulting purchases produced a $9 billion portfolio with 55 hospitality facilities.

Clients served include accountants, investment firms, law firm's lenders, private and public agencies. Valuations have been performed for condemnation purposes, bankruptcy estate planning, financing, investment analysis equity participation, due diligence support and re-use development.

Valuations and market studies have been done on proposed, partially completed, renovated and existing structures.

PROFESSIONAL ACTIVITIES:

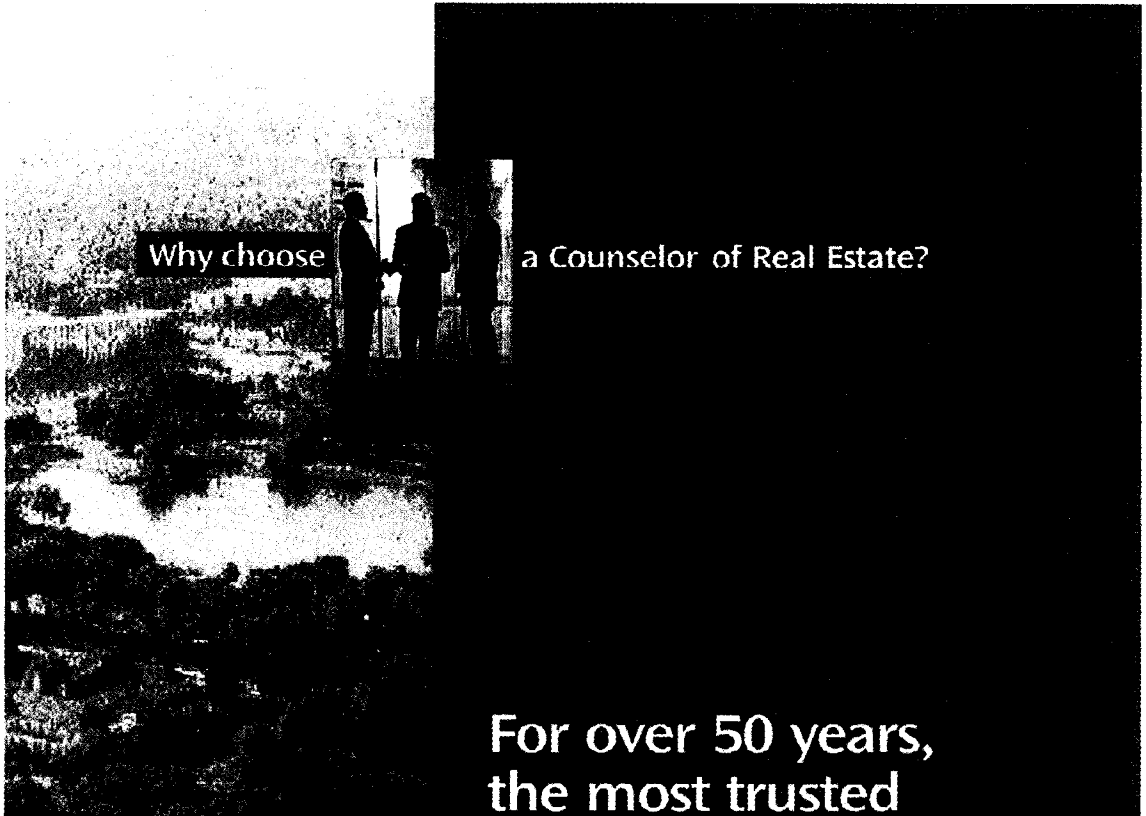
Member: Appraisal Institute
Counselors of Real Estate

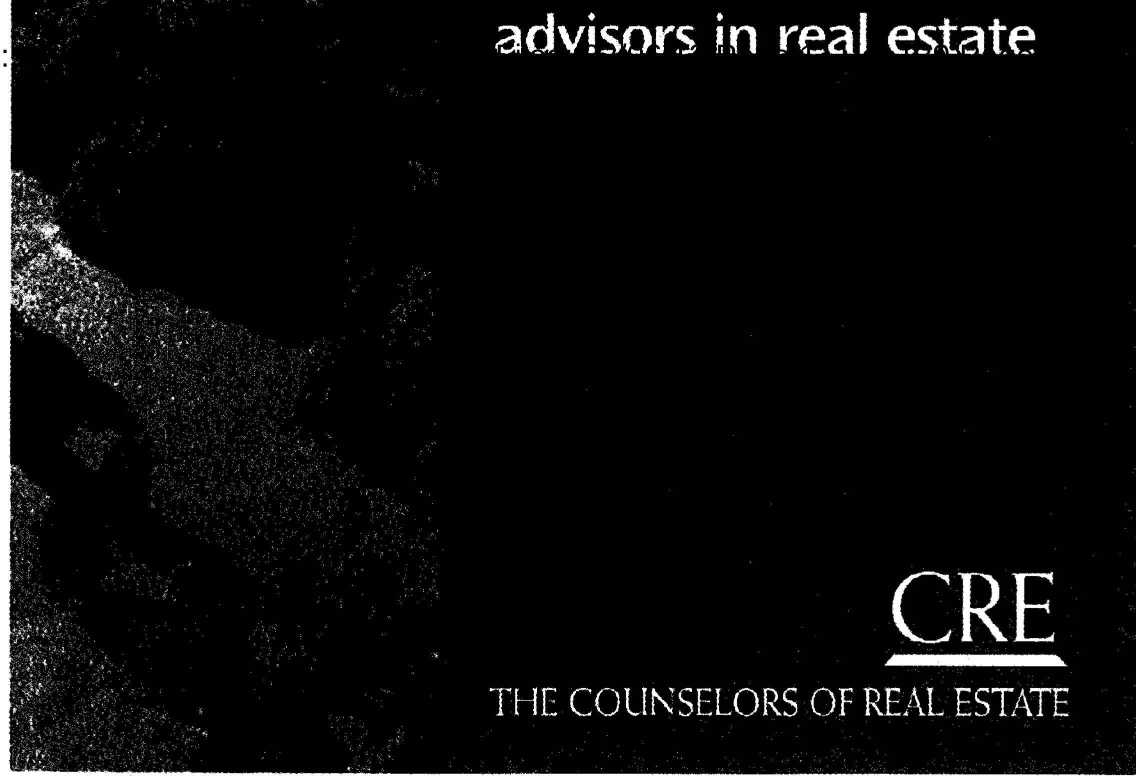
Licensed: Illinois Certified General Real Estate Appraiser – No. 153-00954

EDUCATION:

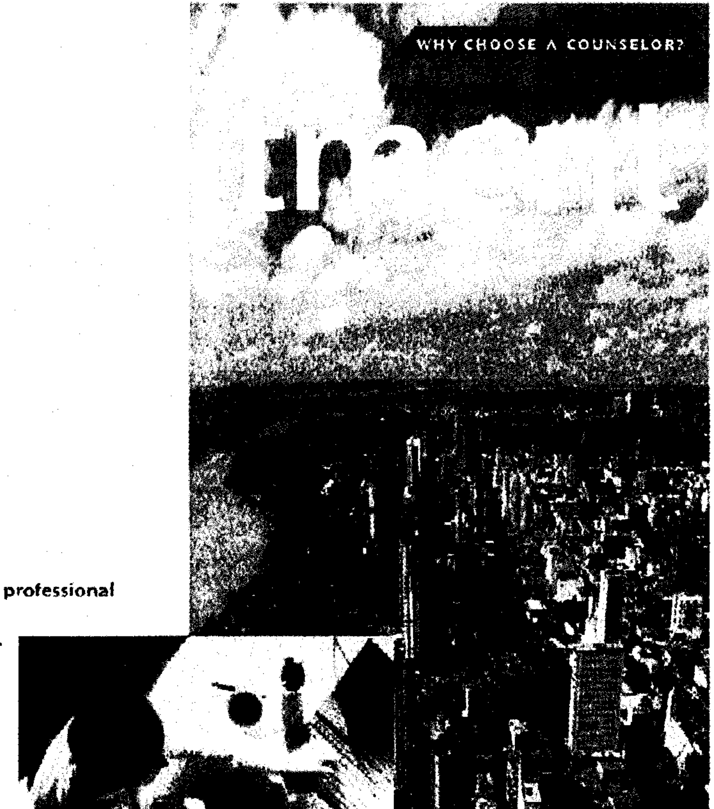
B.A. Degree, Business Administration, Loyola University, Chicago, Illinois
He has successfully completed numerous real estate and related courses and seminars sponsored by the Appraisal Institute, accredited universities and others.

CHICAGO CONVENTION CENTER





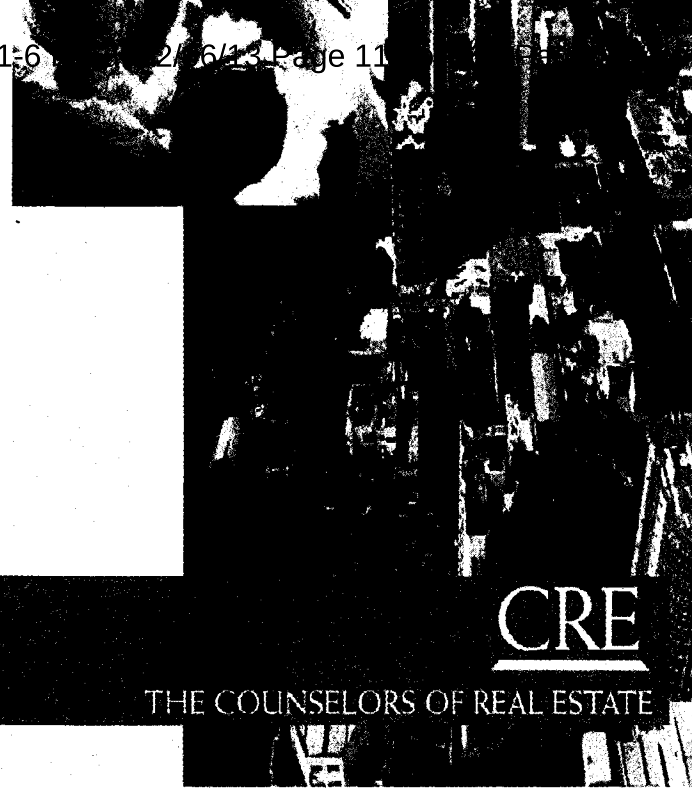
IRR
Integra Realty Resources



A COUNSELOR PROVIDES INTELLIGENT, UNBIASED REAL ESTATE ADVICE

A Counselor of Real Estate is a unique professional in the commercial real estate industry. Experienced, smart, judicious, and thoughtful, a Counselor is committed to one objective: To provide

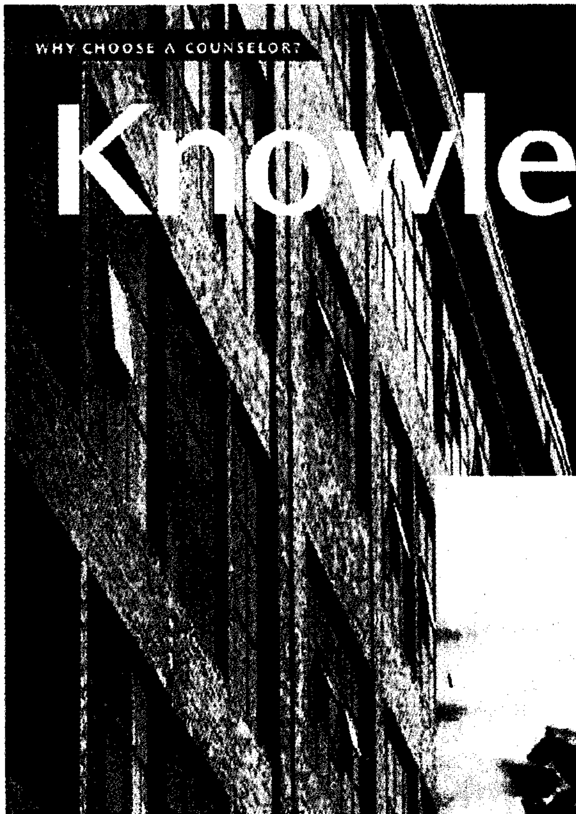
intelligent and objective real estate
advice that achieves the best results
for a client or employer.



CRE

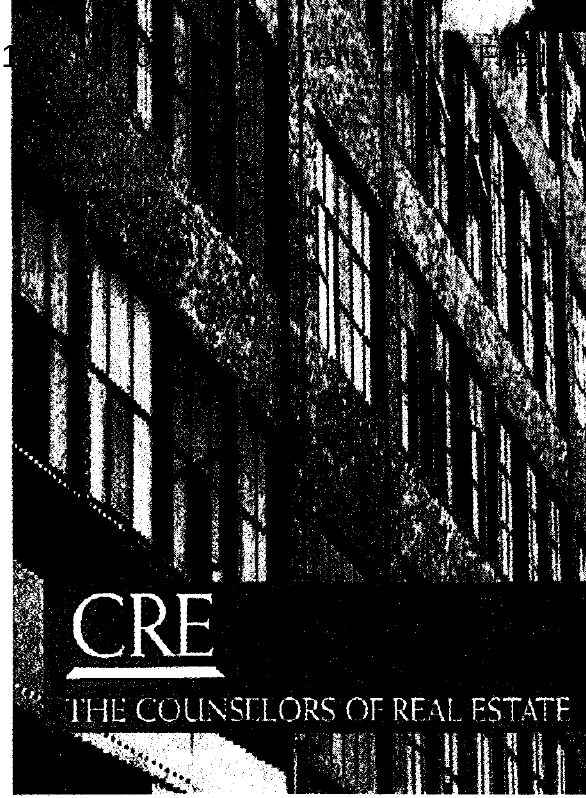
THE COUNSELORS OF REAL ESTATE

IRR
Integra Realty Resources



COUNSELING IS AN ESSENTIAL SERVICE FOR THOSE WHO MAKE THOUGHTFUL, STRATEGIC REAL ESTATE DECISIONS

Real estate counseling is not a specific discipline such as brokerage, management, or appraisal. Rather, real estate counseling



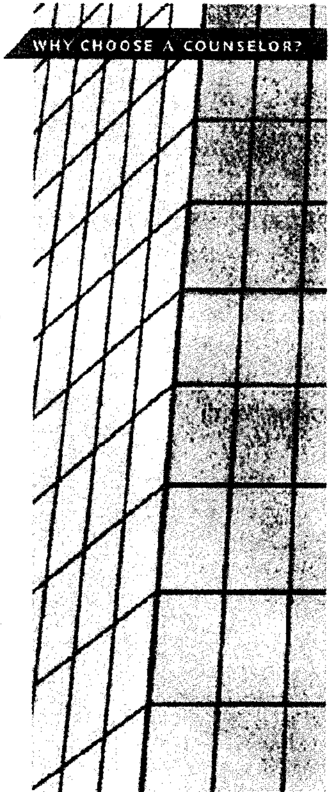
[redacted] is a process—one that requires extensive knowledge, technical competency, thoughtful analysis, and critical inquiry.

Real estate decision makers call upon the Counselor's in-depth real estate knowledge for a breadth of services, ranging from mergers and acquisitions to expert witness testimony.

A Counselor of Real Estate serves as the link between defining the problem and devising a solution of measurable economic value.

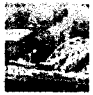
IRR
Integra Realty Resources

CHICAGO CONVENTION CENTER



- Economic and fiscal impact studies
- Feasibility studies
- Financing
- Asset management
- Site location, relocation, and lease/purchase evaluation
- Corporate real estate strategy
- Commercial mortgage-backed securities (CMBS)

- Expert witness testimony and litigation support and strategy
- Investment analysis andstrategy
- Market research and demand/supply analysis
- Highest and best use studies
- Portfolio due diligence



- Property management and performance evaluation
- Eminent domain
- Land use/master planning
- Non-profit consulting
- Tenant representation
- Mortgage lending

- Pension fund consulting
- Public/private partnerships
- Workouts

Environmental consulting
Facilities planning
Capital formation/syndication
[illegible]
Teaching

Valuation and appraisal
Acquisitions/dispositions
Brokerage
Development
Ownership
Joint ventures

Educational consulting
Arbitration and mediation
International consulting
Exchanges
REITs
Mergers
Systems consulting
Registered investment advisory services

CRE

THE COUNSELORS OF REAL ESTATE

IRR
Integra Realty Resources

WHY CHOOSE A COUNSELOR?

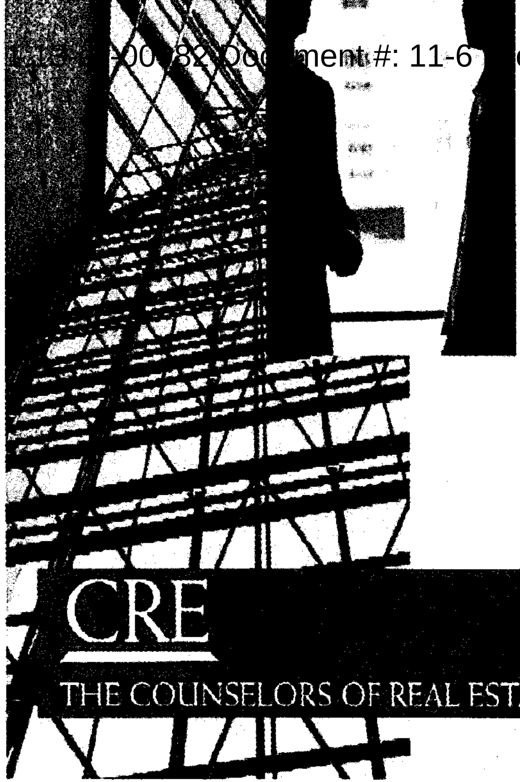
THE BEST ADVISOR LEVERAGES THE LESSONS OF EXPERIENCE TO ACHIEVE RESULTS

As the most respected real estate specialists in their markets, Counselors are the door openers who work with billions of dollars in real estate assets every year. Their real estate acumen has an impact on properties just across town and those on the other side of the world. No matter the size or scope of an assignment, Counselors leverage their experience to assess the past, present, and future and provide sound solutions on the entire spectrum of land and real property.

Housing and planned unit development
Agricultural and ranches
Parks and recreation

Multi-family
Urban redevelopment
Business parks
Build-to-suits
Affordable housing
Contaminated and stigmatized

Office
Retail
Industrial, warehouse, storage
Leisure and hospitality
Government
Mixed use
Acreage and raw land



Stadiums and convention facilities
Senior and assisted living
Educational facilities
Golf courses
Marinas and waterfront
Casinos

Historic properties
Research facilities
Transportation facilities
Military
Cultural and religious institutions
Health care facilities
Utilities

CRE

THE COUNSELORS OF REAL ESTATE

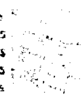
IRR
Integra Realty Resources

CHICAGO CONVENTION CENTER

ONLY A SELECT FEW UNDERSTAND ALL OF REAL ESTATE'S COMPLEXITIES

Land and real property are vital to every business, every institution, every individual, and every human endeavor. As a result, the issues connected to real estate are complex, the available information is vast, and the choices are many. A Counselor of Real Estate possesses the knowledge, experience, and judgment—in a word, the wisdom—to confront the intricacies and problems that arise in such a broad field. An array of clients, from government to small business, relies on the wisdom of the Counselor to map the way to informed and wise decision making.

Architectural, planning and engineering firms
Appraisers
Investment bankers
Rating agencies
International political agencies



Developers
Privately held corporations
Individuals
Attorneys

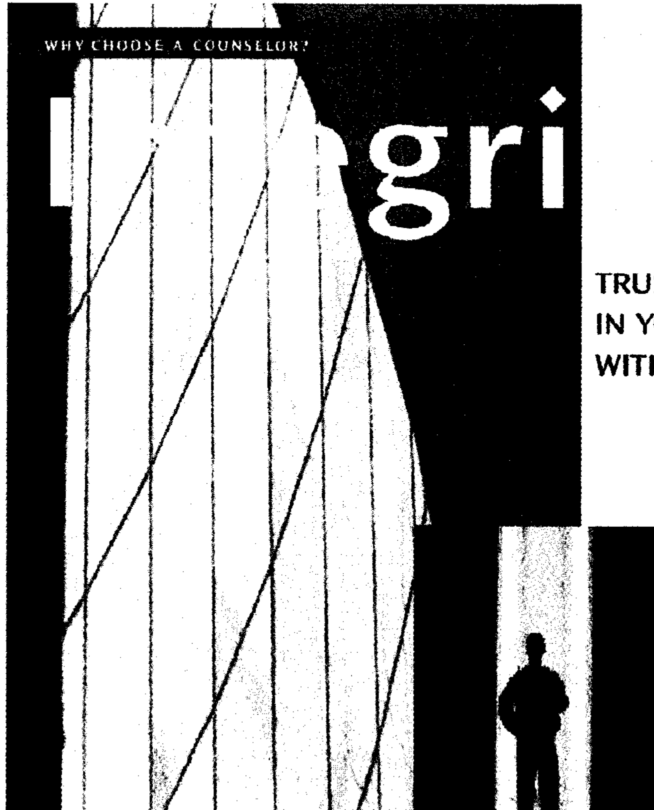
Fortune 500 companies
Publicly held corporations
Lenders/mortgage bankers

REITs
Consulting firms
Advisory and investment management firms
Accountants
Brokerage firms
International corporations and partnerships
Pension endowments
Private equity/opportunity funds

Government agencies
Not-for-profits

CRE
THE COUNSELORS OF REAL ESTATE

IRR
Integra Realty Resources

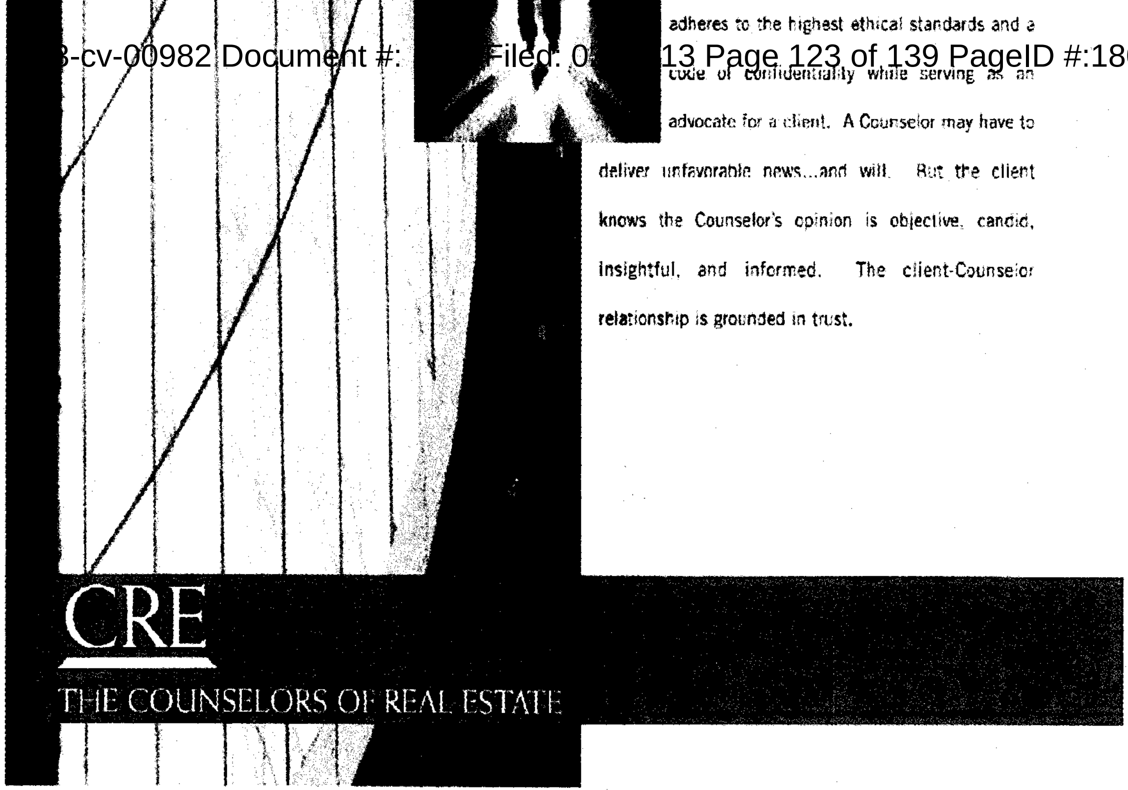


TRUST IS ALWAYS IMPLICIT IN YOUR RELATIONSHIP WITH A COUNSELOR

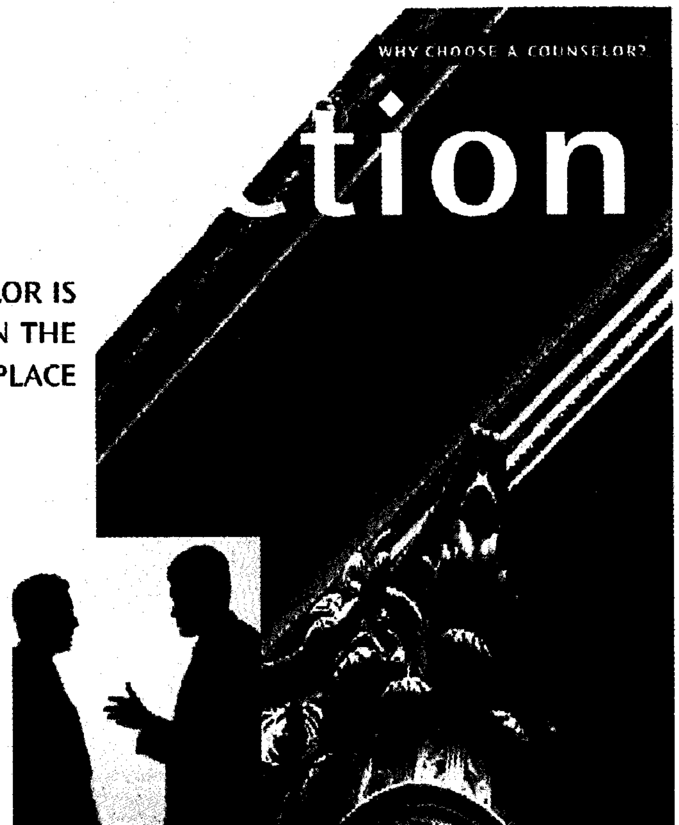
Because laws do not govern the validity of opinions and advice, it is imperative that your real estate advisor be committed to integrity and honesty.

One of the Counselor's most valuable assets is a solid reputation. A Counselor of Real Estate

adheres to the highest ethical standards and a code of confidentiality while serving as an advocate for a client. A Counselor may have to deliver unfavorable news...and will. But the client knows the Counselor's opinion is objective, candid, insightful, and informed. The client-Counselor relationship is grounded in trust.



IRR
Integra Realty Resources



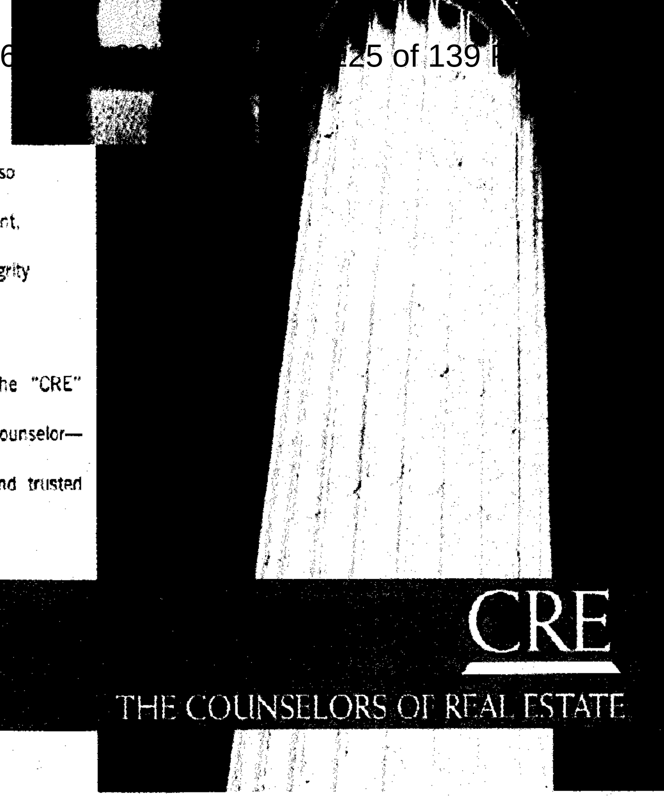
A COUNSELOR IS UNIQUE IN THE MARKETPLACE

In a commercial real estate world with more than 150,000 practitioners, only 1,100 advisors worldwide have been invited to call themselves Counselors of Real Estate.

As part of a selective membership process, Counselors demonstrate that they provide

meaningful real estate counsel and that they are recognized for the highest levels of knowledge and trust in their business relationships. The CRE membership process also requires evidence of outstanding accomplishment, impeccable judgment, and commitment to integrity in real estate.

Once a member, the Counselor acquires the "CRE" designation as a distinguishing credential. A Counselor—or CRE—is one of the most experienced and trusted advisors in real estate.



IRR
Integra Realty Resources

CRE

THE COUNSELORS OF REAL ESTATE

For over 50 years, the most trusted advisors in real estate

Commitment

Knowledge

Experience

Wisdom

Integrity

Distinction

IRR
Integra Realty Resources

Fees for Services:
Compensation for counseling is usually invoiced on an hourly or fixed fee basis. However, other fee arrangements may also be appropriate for particular assignments. Fees and fee structures are agreed upon on an individual basis.

INTEGRA REALTY RESOURCES, INC.
CORPORATE PROFILE

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with 58 independently owned and operated offices in 33 states. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and each is headed by a Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Managing Directors follows:

ATLANTA, GA – Sherry L. Watkins., MAI, MRICS
ATLANTIC COAST, NJ - Anthony Graziano, MAI, CRE, FRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, MAI, MRICS
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Gary K. DeClark, MAI, CRE, FRICS
CHICAGO, IL – Eric L. Enloe, MAI, MRICS

MINNEAPOLIS, MN – Michael Amundson, MAI, CCIM, MRICS
NAPLES, FL – Carlton J. Lloyd, MAI
NASHVILLE, TN – R. Paul Perutelli, MAI, SRA, MRICS
NEW YORK, NY – Raymond T. Cirz, MAI, CRE, FRICS
NORTHERN NJ – Barry J. Krauser, MAI, CRE, FRICS
ORANGE COUNTY, CA – Larry D. Webb, MAI, FRICS
ORLANDO, FL – Charles J. Lentz, MAI, MRICS
PHILADELPHIA, PA – Joseph Pasquarella, MAI, CRE, FRICS
PHOENIX, AZ – Walter Winius, Jr., MAI, CRE, FRICS

CINCINNATI, OH - Gary S. Wright, MAI, SRA, FRICS
CLEVELAND, OH – Douglas P. Sloan, MAI, MRICS
COLUMBIA, SC – Michael B. Dodds, MAI, CCIM, MRICS
COLUMBUS, OH – Bruce A. Daubner, MAI, MRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, MRICS
DAYTON, OH - Gary S. Wright, MAI, SRA, FRICS
DENVER, CO - Brad A. Weiman, MAI, MRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Donald Sherwood, MAI, SR/WA, FRICS
GREENVILLE, SC – Michael B. Dodds, MAI, CCIM, MRICS
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN – Michael C. Lady, MAI, SRA, CCIM, MRICS
KANSAS CITY, MO/KS - Kenneth Jaggers, MAI, FRICS
LAS VEGAS, NV - Shelli L. Lowe, MAI, SRA, MRICS
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA – Matthew Swanson, MAI
LOUISVILLE, KY - George Chapman, MAI, SRA, CRE, FRICS
MEMPHIS, TN - J. Walter Allen, MAI, MRICS
MIAMI, FL – Stephen Matonis, MAI
MILWAUKEE, WI – Nicholas F. Solano, MAI, MRICS
PITTSBURGH, PA – Paul D. Griffith, MAI, MRICS
PORTLAND, OR – Brian A. Glanville, MAI, CRE, FRICS
PROVIDENCE, RI – Gerard H. McDonough, MAI
RICHMOND, VA – Kenneth L. Brown, MAI, CCIM, MRICS
SACRAMENTO, CA – Scott Beebe, MAI, FRICS
ST. LOUIS, MO – Roland G. Hoffman, MAI, SRA, MRICS
SALT LAKE CITY, UT – Darrin Liddell, MAI, CCIM, MRICS
SAN ANTONIO, TX – Martyn C. Glen, MAI, CRE, FRICS
SAN DIEGO, CA – Jeff Greenwald, MAI, FRICS
SAN FRANCISCO, CA – Jan Kleczewski, MAI, FRICS
SARASOTA, FL – Carlton J. Lloyd, MAI
SARASOTA, FL- Craig L. Smith, MAI, MRICS
SAVANNAH, GA – J. Carl Schultz, Jr., MAI, SRA, CRE, FRICS
SEATTLE, WA – Allen N. Safer, MAI, MRICS
SYRACUSE, NY – William J. Kimball, MAI, FRICS
TAMPA, FL – Bradford L. Johnson, MAI, MRICS
TULSA, OK – Robert E. Gray, MAI, FRICS
WASHINGTON, DC – Patrick C. Kerr, MAI, SRA, MRICS
WILMINGTON, DE – Douglas L. Nickel, MAI, FRICS
IRR de MEXICO – Oscar J. Franck Terrazas

Corporate Office

1133 Avenue of the Americas, 27th Floor, New York, New York 10036
Telephone: (212) 255-7858; Fax: (646) 424-1869; E-mail info@irr.com
Website: www.irr.com

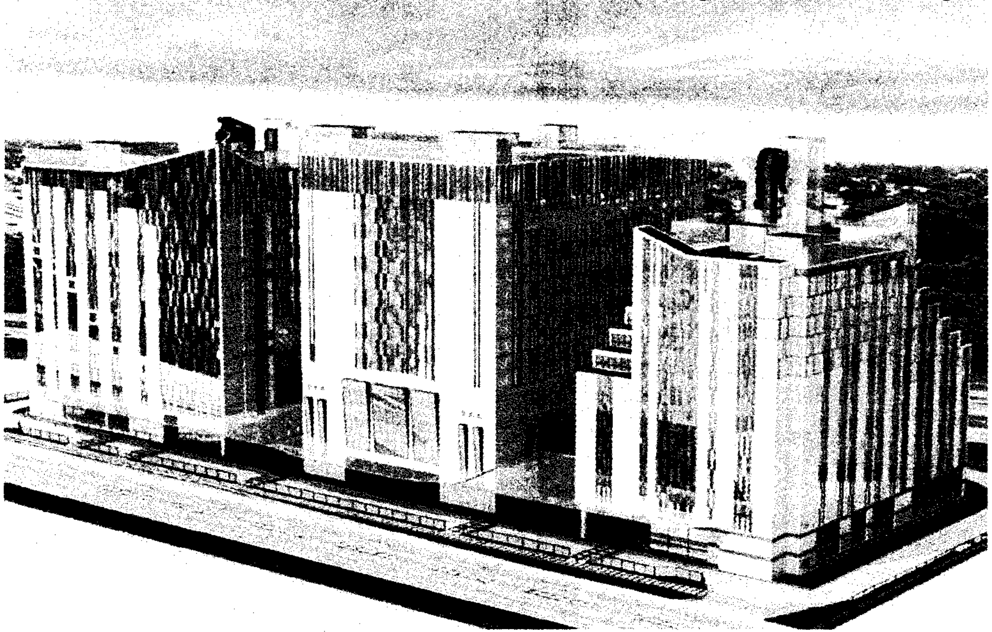
IRR
Integra Realty Resources

ADDENDUM B

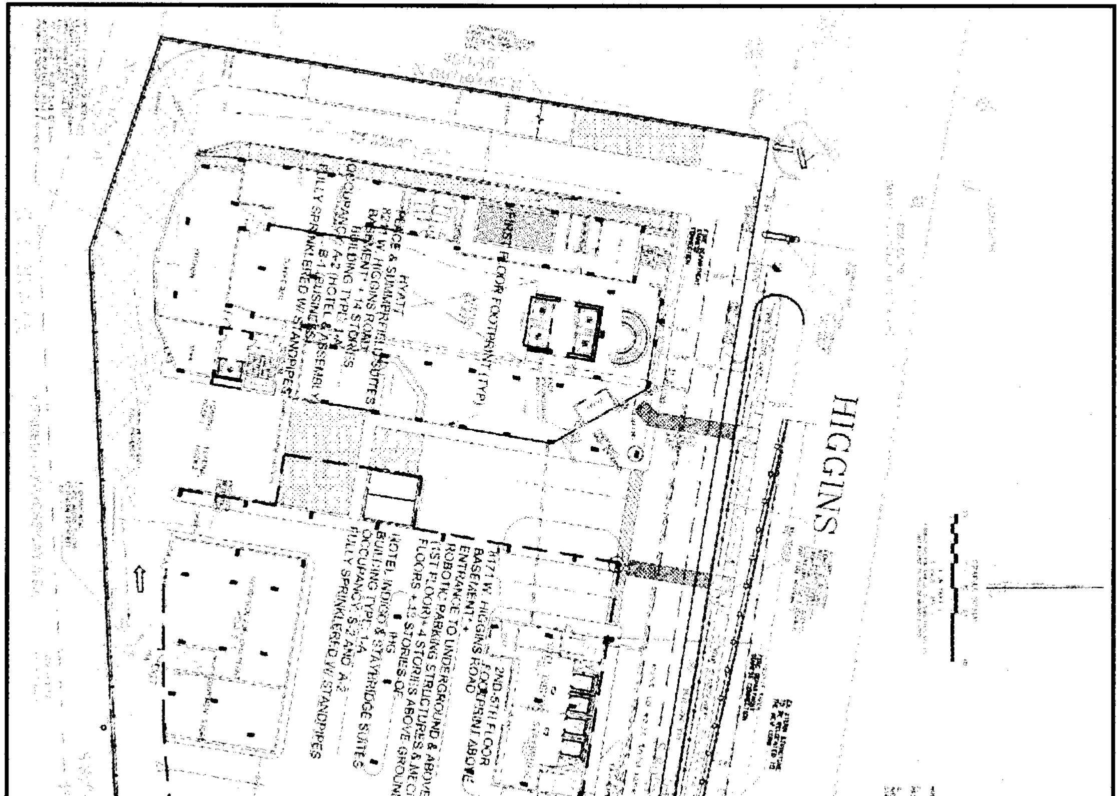
PROPERTY INFORMATION

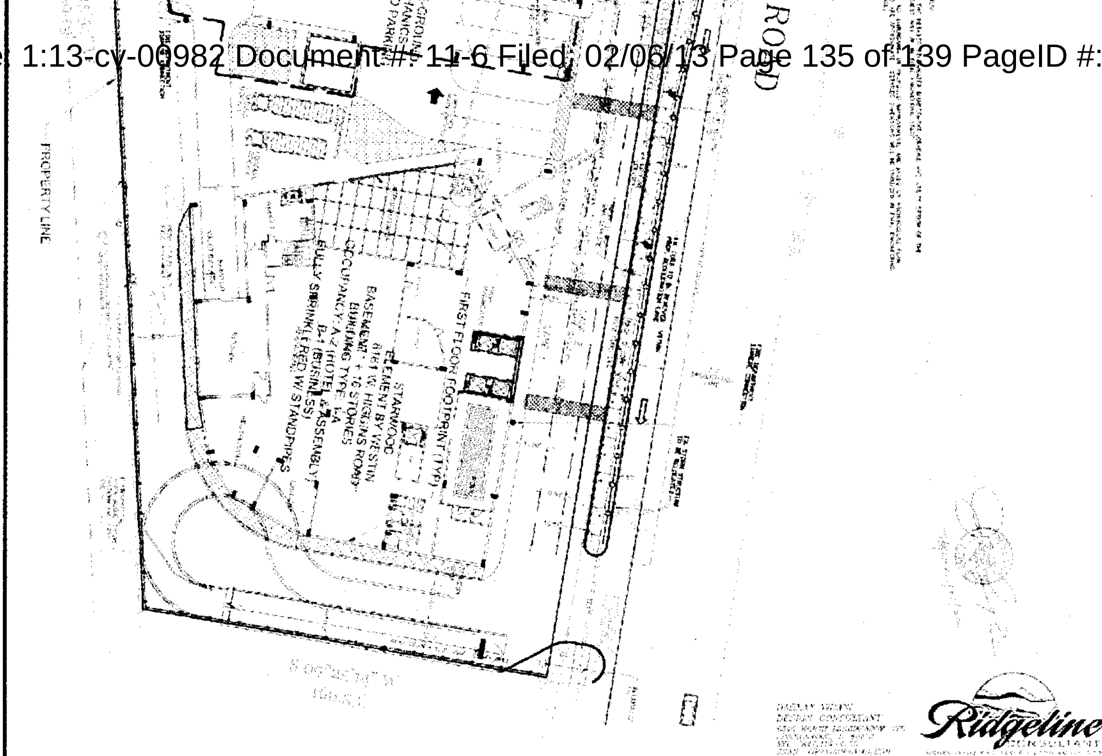
Current Property

Proposed Property



Property Map





CIVIL SITE PLAN

A CHICAGO CONVENTION CENTER

8161, 8171 & 8211 WEST HIGGINS ROAD, CHICAGO, IL

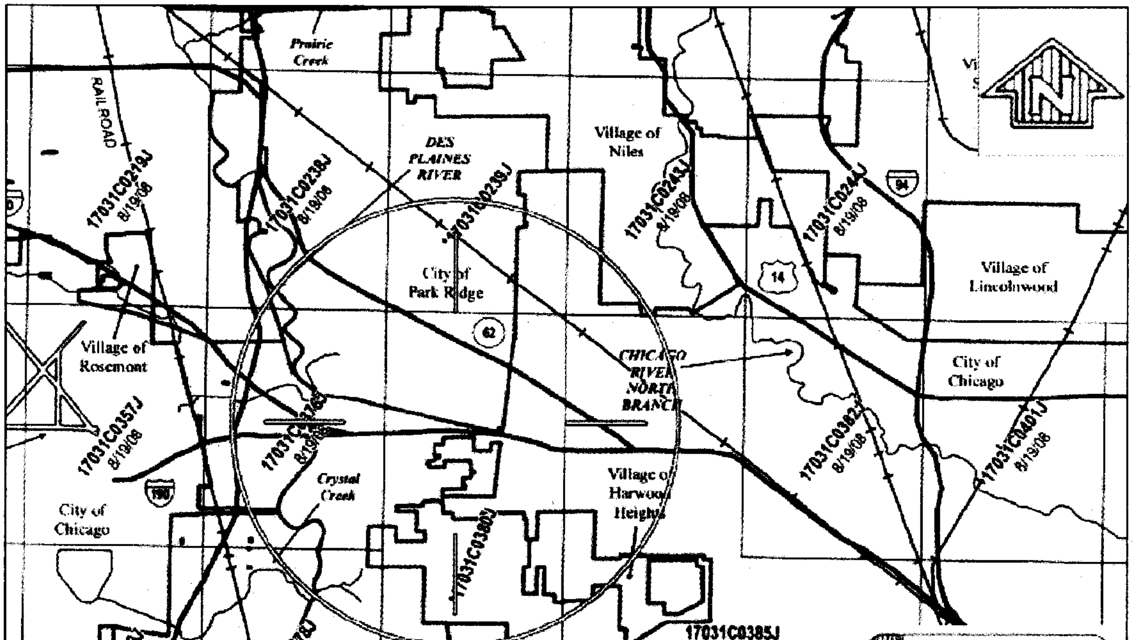
RIDGELINE CONSULTANTS, LLC

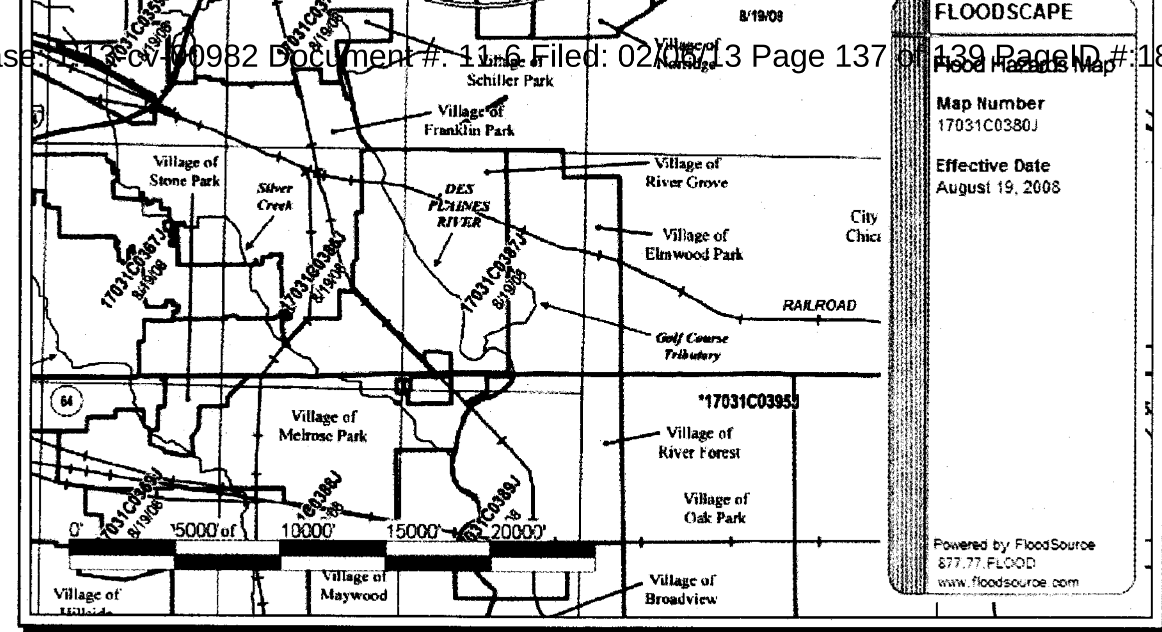
Flood Plain Map

InterFlood by a la mode
www.interflood.com • 1-800-252-6633

Prepared for:
INTEGRA REALTY RESOURCES-CHICAGO

8201 W Higgins Rd
Chicago, IL 60631-2917




FLOODSCAPE
Flood Hazards Map
Map Number
17031C0380J
Effective Date
August 19, 2008
Powered by FloodSource
877.77.FLOOD
www.floodsource.com
Village of Schiller Park
Village of Franklin Park
Village of Stone Park
Silver Creek
DES PLAINES RIVER
Village of River Grove
Village of Elmwood Park
RAILROAD
Golf Course Tributary
17031C0395J
Village of Melrose Park
Village of River Forest
Village of Oak Park
Village of Maywood
Village of Broadview
Village of Hillside
0'
5000'
10000'
15000'
20000'

Legal Description

THAT PART OF LOTS 10 AND 11 IN PENNOYER'S AND OTHERS' SUBDIVISION OF LOTS 1, 2, 3 AND 4 IN THE SUBDIVISION OF THE ESTATE OF JAMES PENNOYER IN SECTION 1, SECTION 2, SECTION 11 AND SECTION 12, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN AND THAT PART OF THE SOUTHEAST QUARTER OF SECTION 2, LYING SOUTH OF THE CENTER LINE OF HIGGINS ROAD AND WEST OF THE WEST LINE OF ORIGINAL LOT 2 OF THE SUBDIVISION OF THE ESTATE OF JAMES PENNOYER AFORESAID, DESCRIBED AS FOLLOWS: ALL THAT PART OF LOT 10 IN THE AFORESAID PENNOYER'S AND OTHERS' SUBDIVISION, LYING SOUTH OF THE SOUTH LINE OF HIGGINS ROAD (AS WIDENED) AND WEST OF A LINE WHICH IS PERPENDICULAR TO THE SOUTH LINE OF HIGGINS ROAD (AS WIDENED) AT A POINT 165 FEET WESTERLY OF THE EAST LINE OF SAID LOT 10 (AS MEASURED ALONG THE SOUTH LINE OF HIGGINS ROAD (AS WIDENED) AND LYING NORTH OF A LINE DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE EAST LINE OF LOT 10, A DISTANCE OF 140.24 FEET SOUTH OF THE SOUTH OF THE SOUTH OF HIGGINS ROAD (AS WIDENED) AND EXTENDING WESTERLY TO A POINT OF ENDING IN THE WEST LINE OF SAID LOT 10 WHICH IS 229.39 FEET SOUTH OF THE SOUTH LINE OF HIGGINS ROAD (AS WIDENED) ALL THAT PART OF LOT 11 IN THE AFORESAID PENNOYER'S AND OTHERS' SUBDIVISION LYING SOUTH OF THE SOUTH LINE OF HIGGINS ROAD (AS WIDENED) AND EAST OF A LINE WHICH IS PERPENDICULAR TO THE SOUTH LINE OF HIGGINS ROAD (AS WIDENED) AT A POINT 205.00 FEET EASTERLY OF THE WEST LINE OF SAID LOT 11 (AS MEASURED ALONG THE SOUTH LINE OF HIGGINS ROAD (AS WIDENED)) AND LYING NORTH OF A LINE DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE WEST LINE OF SAID LOT 11, A DISTANCE OF 208.49 FEET SOUTH OF THE SOUTH LINE OF HIGGINS ROAD (AS WIDENED) (SAID WEST LINE OF LOT 11 HAVING AN ASSUMED BEARING OF SOUTH); THENCE SOUTH 59°27'32" EAST, A DISTANCE OF 56.48 FEET; THENCE SOUTH 73°38'51" EAST, A DISTANCE OF 178.64 FEET; THENCE NORTH 87°15'54" EAST, A DISTANCE OF 168.10 FEET TO A POINT ENDING IN THE EAST LINE OF SAID LOT 11 WHICH IS 229.39 FEET SOUTH OF THE SOUTH LINE OF HIGGINS ROAD (AS WIDENED), IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS 6201 WEST HIGGINS ROAD, CHICAGO, ILLINOIS.